

MARLBORO TOWNSHIP SCHOOL DISTRICT

Marlboro, New Jersey
County of Monmouth

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023**

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
MARLBORO TOWNSHIP SCHOOL DISTRICT
MARLBORO, NEW JERSEY**

YEAR ENDED JUNE 30, 2023

**Prepared by Marlboro Township School District
Business Office
Mr. Vincent Caravello**

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INTRODUCTORY SECTION

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Marlboro Township Public Schools

1980 TOWNSHIP DRIVE, MARLBORO, NEW JERSEY 07746-2298

TELEPHONE: (732) 972-2000, x2010

FAX: (732) 972-2003

www.mtps.org

DANIELLE BELLOMO
KERRY ANN JANKOWSKI
MICHAEL LILONSKY
ALDO PATRUNO
JESSICA PIERNIK
SUSIE SHREM
ANNETTE SIEWERT

CHRISTINA RUSSOTTO
PRESIDENT

VALENTINA MENDEZ
VICE PRESIDENT

MICHAEL BALLONE
SUPERINTENDENT OF SCHOOLS

VINCENT CARAVELLO
SCHOOL BUSINESS ADMINISTRATOR/
BOARD SECRETARY

December 14, 2023

Honorable President and
Members of the Board of Education
Marlboro Township School District
Marlboro, New Jersey

Dear Board Members/Citizens:

It is with pleasure that we submit the Annual Comprehensive Financial Report (ACFR) of the Marlboro Township School District for the fiscal year ended June 30, 2023. This ACFR includes the district's basic financial statements prepared in accordance with generally accepted accounting principles for local governments. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the district. To the best of our knowledge and belief, 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 district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities, including the Management's Discussion and Analysis, have been included.

The Annual Comprehensive Financial Report is presented in four sections as follows:

- The Introductory Section contains a Letter of Transmittal, Certificate of Excellence in Financial Reporting (ASBO), Roster of Officials, List of Consultants, Independent Auditors and Advisors, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the district's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the school district, generally presented on a multi-year basis;
- The Single Audit Section – The district is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)" and the New Jersey State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this Single Audit, including the independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the Single Audit Section of this report.

SCHOOL DISTRICT ORGANIZATION

The Marlboro Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 as amended by GASB Statement No. 39. The Marlboro Township Board of Education and its eight schools constitute the district's reporting entity.

The district continues to maintain a high quality of education and is one of the largest K-8 districts in New Jersey. The district provides a full range of programs and services appropriate to grades Pre-K through 8. These include regular education, programs for the very able students (gifted and talented), as well as those for students with disabilities both in and out-of-district. An early learning center, five elementary schools and two middle schools comprise the district's instructional facilities.

Supervising district-wide goals is a district superintendent, a school business administrator/board secretary, an assistant superintendent, a human resources manager, two district-wide curriculum supervisors, a director of instructional technology, a director of special services, and two supervisors of special services. The David C. Abbott Early Learning Center has its own principal. Each of the five elementary schools has a principal and vice principal. The Marlboro Middle School and the Marlboro Memorial Middle School each have one principal and two vice principals.

The Board of Education, composed of nine members, each elected to three-year terms, meets on the fourth Tuesday of each month for the regular monthly meeting and at one or two other times per month for workshop meetings. During its meetings and workshops the board determines district goals and priorities and conducts other business. Board meetings are open to the public and begin at 7:00 PM. Effective January 17, 2012, all public portions of the regular and workshop meetings of the Marlboro Township Board of Education are taped and posted on the district's website. This has enabled Board meetings to be more accessible to those who cannot be physically present due to family, business or personal reasons, but who nevertheless wish to watch the Board deliberations and find out what is happening in the Marlboro Township Public School District (K-8).

PTAs/PTOs are highly active in the district and provide community support for a variety of programs and activities for the children.

To maintain effective communications, the district uses several options to ensure a consistent flow of information to our stakeholders. During the budget review process, information about the budget is presented at board meetings and posted on the district website. Additional communication tools utilized by the district include a district website that is updated regularly with important information for parents, such as school closures, delayed openings, medical/health alerts, new curriculum initiatives, new board projects, and more. The district also communicates with parents via School Messenger, a system that provides both phone and email contact options. The ability to contact the entire parent population within 20 minutes about changes in the school day, i.e. early closure, or to be able to update them in an emergency situation, is a vital component in ensuring that our communication efforts are timely, accurate, and effective. Monthly Board Briefs are also sent out as communication to all district stakeholders.

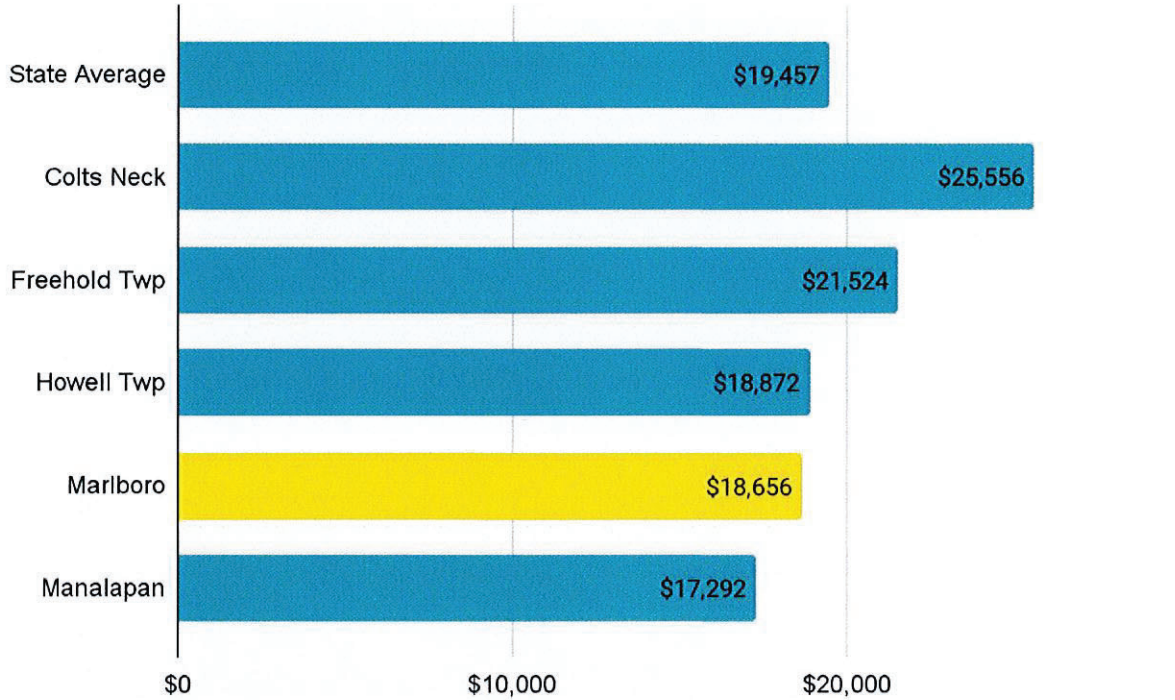
EDUCATIONAL PROGRAM

Each district school follows district-wide goals and educational approaches to the teaching of children, while maintaining a unique personality. All curricula in our district have been aligned to the New Jersey Core Curriculum Content Standards and Common Core State Standards.

In 2023, the New Jersey Department of Education released its Taxpayers' Guide to Education Spending (formerly the Comparative Spending Guide) for all school districts in the state. The guide compares districts with those similar in enrollment/configurations. The information on expenditures was taken from certified budgets on file with the State Department of Education. This report shows that the district spends \$18,656 per pupil while the average cost for similar districts is \$19,457. According to the report, per pupil costs range from a low of \$12,749 to a high of \$27,599 for districts of this type. Of the 72 other

K-8 schools districts in the state with enrollments exceeding 751 children, Marlboro ranks 32nd lowest in total cost per pupil.

2023 BUDGETARY COST PER PUPIL - TAXPAYERS' GUIDE TO EDUCATION SPENDING



Pre-K and Kindergarten

David C. Abbott Early Learning Center - an early learning center for preschool handicapped and kindergarten of 245 students. There is one administrator and a staff of 76 teachers and instructional assistants. The school is located on Tennent Road in the Morganville section of Marlboro.

The Abbott Center provides a strong educational foundation for the district's youngest students, with a curriculum based on Howard Gardner's seven intelligences - one that has and will continue to positively affect their education.

Elementary Schools: Grades K through 5

Currently, there are five elementary schools (Asher Holmes, Defino Central, Dugan, Marlboro Elementary, and Robertsville) in the district. Three of these schools house students in grades K-5 and two house students in grades 1-5; all providing a comprehensive educational program.

Asher Holmes Elementary - a grade 1-5 school of 451 students. There are two administrators and staff of 63 teachers, instructional assistants and school aides. The school is located on Menzel Lane in the Morganville section of Marlboro.

Frank Defino Central Elementary - a grade K-5 school of 537 students. There are two administrators and a staff of 95 teachers, instructional assistants and school aides. The school is located on Rt. 79 in Marlboro.

Frank Dugan Elementary - a grade K-5 school of 656 students. There are two administrators and a staff of 90 teachers, instructional assistants and school aides. The school is located on Topanemus Road in Marlboro.

Marlboro Elementary - a grade K-5 school of 498 students. There are two administrators and a staff of 74 teachers, instructional assistants and school aides. The school is located on School Road West in Marlboro.

Robertsville Elementary - a grade 1-5 school of 471 students. There are two administrators and a staff of 75 teachers, instructional assistants and school aides. The school is located on Menzel Lane in the Morganville section of Marlboro.

Marlboro Middle Schools: Grades 6, 7 & 8

Currently, there are two middle schools (Marlboro Middle School and Marlboro Memorial Middle School) that offer students in grades 6, 7 and 8 a comprehensive educational program.

Marlboro Middle School - a grade 6-8 school of 1,006 students. There are three administrators and a staff of 137 teachers, instructional assistants and school aides. The school is located on Rt. 520 in Marlboro.

Marlboro Memorial Middle School - a grade 6-8 school of 763 students. There are three administrators and a staff of 97 teachers, instructional assistants and school aides. This school is located on Nolan Road in the Morganville section of Marlboro.

Marlboro Middle School boasts a state-of-the-art auditorium that benefits not only the educational community, but the Township of Marlboro as well. The facility is available for rental by both nonprofit and for-profit organizations.

Each of the two middle schools is organized around learning teams (or schools within a school). Each team represents the five disciplines (math, English language arts, social studies, science, and world language). Teachers on these teams are assigned approximately 150 students. The result is that a family type atmosphere is created, enabling teachers to work more closely with students academically and socially. Discipline problems also may be addressed immediately in this type of school setting.

DISTRICT-WIDE CURRICULUM

The goal of the Marlboro Township PK-8 Public School System is to encourage lifelong learning for all students. The district provides curricular offerings aligned to the New Jersey Student Learning Standards that enable students to develop intellectually, socially, physically and emotionally. The core subjects of English language arts literacy, mathematics, science, and social studies establish the foundation for a curriculum of exploration and breadth.

English Language Arts

The English language arts curriculum is aligned to the New Jersey Student Learning Standards and promotes the language experiences students need in order to grow intellectually, socially, and emotionally. A balanced literacy approach is utilized, which integrates reading, writing, speaking, listening, and viewing to foster instruction that encourages students to think critically and creatively. The curriculum provides the skills students need to be successful throughout their lifetime and moreover, promotes the inner joy that comes with reading great literature and communicating well in speech and writing. Units of study, along with a comprehensive curriculum guide provide teachers with all necessary tools to instruct students in a high quality manner.

Mathematics

The overarching goal of mathematics education in the Marlboro Township Public Schools is to provide students with higher order thinking skills, mathematical conceptual understanding and problem-solving skills to be successful in their careers and daily lives. The curriculum, aligned to the New Jersey Student Learning Standards, takes a developmental and sequential approach; a concept is introduced, subsequently developed, and mastered. The eight mathematical practices are embedded into the curriculum and instruction. With a strong focus on technology, the mathematics curriculum strives to integrate its objectives into all other subjects. Units of study, along with a comprehensive curriculum guide provide teachers with all necessary tools to instruct students in a high quality manner.

Science

Science education in Marlboro provides the experiences to make students aware of the impact of science on society. This comprehensive curriculum, aligned to the New Jersey Student Learning Standards, assures that students develop an understanding of the concepts and processes of science through inquiry, activity, and experimentation. In grades kindergarten through five, the emphasis is placed on broad conceptual development while incorporating disciplinary core ideas, science and engineering practices, and crosscutting concepts; tenets of the Next Generation Science Standards. In grades 6-8, while the incorporation of disciplinary core ideas, science and engineering practices, and crosscutting concepts is still prevalent, the specific areas of earth science, life science and physical science are taught in grades 6-8, respectively.

Social Studies

The social studies program is aligned to the New Jersey Student Learning Standards and reflects our changing society. Through a variety of learning experiences, by linking the past to the present, students develop an appreciation of the continuity of the human experience and realize that each individual has a contribution to make to society. With subject matter drawn from the humanities, this social studies program includes history, geography, government and civics, economics, anthropology, sociology, and psychology. These key study areas are integrated to explain the past, the current human condition, and future possibilities.

World Languages

The focus of the world language program is for students to gain a rich background in the culture and acquire the ability to communicate in the target language of Spanish. Elementary students take foundational Spanish and carry this into a deeper exploration into the Spanish language at the middle school level.

Arts

The arts curriculum is intended to promote creative and original thought. The foundation of the arts curriculum is the belief that students are unique and have diverse talents. The goal of the arts programs is to provide rich, educational opportunities for all students to explore vocal music, general music, instrumental music, visual art, drama, and dance.

Library Media Center

The library media program embodies the district's philosophy of developing and enhancing critical thinking skills through the use of print, multimedia, and technological resources. Students are encouraged to become life-long learners by fostering recreational reading and providing instruction in research skills that will be useful to them throughout their lifetime.

The library media program is an integral part of the total educational program. Students learn the basic processing skills necessary to connect concepts and information in all disciplines and interest areas. As a result of the library media program, students will be able to locate, select and retrieve print and non-print materials, evaluate information effectively, and access technological resources independently.

Health, Family Life, Drug and Alcohol, Physical Education

The comprehensive health and physical education programs encourage students to take responsibility for their own lives by acting conscientiously in the present and establishing positive health practices that will support and enhance life-long wellness. Students who are health-literate have the knowledge and skills to better achieve and maintain physical, social and emotional health.

Educational Technology

It is the vision of the district to provide a technologically enriched environment in which our students can perform at optimum levels. The district provides for the acquisition and dissemination of knowledge via technological resources in concert with the New Jersey Student Learning Standards and the National Educational Technology Plan. The district modifies its program as students' needs and current technologies change. As a result, on-going technology training is a major component of the district's staff development plan via turn-key training sessions as well as out-of-district professional development opportunities.

Response to Intervention (RTI)

The RTI program is designed to meet the needs of those students who need additional academic and/or behavioral assistance. It is a multi-tiered system that addresses the specific needs of each child. Utilizing small group instruction, students receive intervention services either through in-class support or a pull-out model.

Elementary Gifted and Talented

The elementary gifted and talented programs are needs-based programs designed for those students who exhibit exceptional intellectual and/or academic needs. The programs provide additional and appropriate educational challenges and opportunities to meet those needs.

- *Enrichment (Kindergarten)* - (once-a-week, pull-out model for 1 period for the second half of the academic year) - *Presents activities supporting creative problem solving and higher-level thinking skills.*
- *PEP (Grade 2)* - Primary Enrichment Program (2 hours 10 minutes per week during school hours) - *Presents an introduction to the elements of critical and creative thought.*
- *PEP (Grade 3)* - Primary Enrichment Program (2 hours 10 minutes per week during school hours) - *Presents academic units of study, logic problems and philosophical issues.*
- *REACH (Grades 4-5)* - Realizing Excellence through Academic Challenge (3 hours per week during school hours) - *Integrates philosophical inquiry into academic units of study and solving logic problems.*
- *SOAR (Grades K-5)* - Special Opportunities through Academic Resources - *Individualized program focusing on specific academic discipline(s).*
- *Gifted Mathematics (Grades 1-3)* - Grade 1 is half year, one period per week; Grades 2-3 are full year, two periods per week. *Develops advanced mathematical problem-solving skills and strategies.*
- *Gifted Reading (Grades 1-3)* - grade 1 is half year, one period a week; Grades 2-3 are full year, two periods per week. *Develops advanced comprehension skills.*

Middle School Honors

The middle schools have honors programs that are subject-specific.

- *English Language Arts; Science; Social Studies* – one period daily, full year. Promotes subject specific deeper development with accompanying text complexity.
- *Creative Arts (Grades 6-8)* - One period daily, full year. Encourages development of artistic skills and creative thought.
- *Jazz Band/Show Choir (Grades 7-8)* - Two periods every six days, full year. Promotes performance quality musicianship skills.

English as a Second Language (ESL)

The ESL program addresses the needs of students who have acquired another language prior to their exposure to English. The program is designed to help students develop both communicative skills and academic language proficiency in English so that they can succeed in school. The ESL program focuses on the development of skills in listening, comprehension, speaking, reading, writing, and American culture. Support is provided in the content areas of science, social studies, English language arts, and mathematics.

Applied Technology

Applied Technology offers middle school students a hands-on, authentic view of current and emergent technologies. In grade six, students build and test a jet car and build a pneumatic-powered rocket. In grade seven, students calculate airplane wing loads using the standard barometric pressure at sea level. In grade eight, students create and test model trusses using the stress analyzer and produce and edit a video production.

New Jersey Student Learning Standards

The Marlboro Township School district is following the Department of Education's guidelines for the adoption of the 2020 New Jersey Student Learning Standards. All approved curricula are aligned to the New Jersey Student Learning Standards.

Staff Development

The Marlboro Township School district provides its teaching staff with many opportunities for professional development.

In the beginning of the school year, all newly hired teachers receive seven days of intensive in-service that includes instructional strategies, classroom management, curriculum, mentoring, district policy, technology, and security. Mentors are assigned to new staff members to provide support throughout the school year.

Four full day professional days are built into the school calendar, enabling teachers to attend sessions related to instructional strategies, curricular updates, textbook orientation, and district-wide grade level and department meetings. Teachers also are afforded the opportunity to take two additional professional days related to their PDPs and/or areas of interest.

Many teachers are involved in writing curriculum. They receive in-service in using the New Jersey Student Learning Standards when writing curricula. These documents provide the support needed for teachers to develop curriculum guides that foster higher order thinking skills for all Marlboro students.

Technology

District-wide technology is used to increase productivity, enhance communication, and enrich curriculum and instruction. Every classroom, media center, and office in all eight schools, transportation, buildings & grounds, and the administration building are linked together in local and wide area networks. All administrators, teachers, and support staff have access to computers, printers, email accounts, and the internet within their work areas.

To assist teachers in presenting lessons and resources to an entire class by way of one computer in a classroom, Activpanels have been installed in every classroom throughout the district. The interactivity available with these devices has provided district students with opportunities for active learning. As an effective and efficient alternative to cyclical computer lab replacements, the district has created a 1:1 computing environment where every student has access to a district-owned device in grades 1-8. Teachers have access to a variety of online programs including *Achieve 3000*, *Study Island*, *ST Math*, *Math IXL*, to name a few.

All schools use e-mail communications with parents, which has reduced the amount of paper sent home with the students. All teachers use *Genesis* as the student information system for inputting term grades and generating report cards. Parents can access their child's schedules, class attendance, and teachers' grade books in real-time via the *Genesis* Parent Portal.

Staff and students of all elementary and middle schools have the use of Chromebooks with wireless network cards. These devices support teachers in implementing a real-time assessment, curriculum-based instructional platform. At The Abbott Early Learning Center students utilize iPads. Additionally, at the middle school level, the district has also permitted students with 24-hour access to a district-owned Chromebook by providing the ability for the devices to go home with students. This enables them to work virtually and collaborate even when outside the confines of the classroom and school day.

ECONOMIC CONDITION AND OUTLOOK

The district completed the 2022-2023 fiscal year with an enrollment of 4,631 in-district students. The following details the changes in the student enrollment of the district over the last five (5) years and the current school year. The table presents the annual in-district pupil enrollment, as of October 15, for the school years 2018-19 through 2022-23.

<u>School Year</u>	<u>Enrollment as of October 15</u>	<u>% Change</u>
2018-19	4,779	- 1.71%
2019-20	4,739	- .08%
2020-21	4,543	- 4.14%

<u>School Year</u>	<u>Enrollment as of October 15</u>	<u>% Change</u>
2021-22	4,522	- .46%
2022-23	4,533	.24%

The eight (8) schools in the district vary in age, with original construction dates ranging from 1956 through 2003. The district had proposed multiple bond referendums in prior years, which were unfortunately defeated. In 2019-20 the district embarked on an ESIP (Energy Savings Incentive Program) to address the major building issues that we were trying to take care of in the referendums. This project was completed in 2022-23. This ESIP included replacement of HVAC systems; replacement of hot water heater; replacement of boiler, pump and expansion tank; main distribution panel, panel boards, feeder replacement; fire alarm replacement; ATC head ends; and the installation of solar panels.

We recognize that the state is in a financial crisis and want to assure our residents that the Marlboro Township School District is doing its part to maintain a responsible budget. The district's administration closely monitors the cost of operations and continues to look for new funding sources in order to maintain the quality education services that the district has been accustomed to providing.

MAJOR INITIATIVES

Asher Holmes Elementary School

The priorities of maintaining student safety and security, as well as rigor in the instructional program, were the cornerstones of the 2022-23 budget at Asher Holmes Elementary School. In a continuing commitment to fiscal responsibility, purchases were made very selectively with both school and district goals at the forefront of that decision making.

For the 22-23 school year, class sections remained stable from the previous year. All initiated purchase requests were for materials that were deemed essential. These included core instructional materials/supplies, classroom furniture, cafeteria tables, and materials for the nurse's office. Two large annual monetary allocations were for copier paper and basic classroom supplies.

As was reflected in the budget and purchases made during the 22-23 school year, allocations reflected a continued commitment to supporting ELA and Math instruction and the new programs purchased through the curriculum department. Additionally, purchases of educational resources were also made to enhance small group and differentiated instruction within the mathematics and literacy sections at each grade level. Purchases of district-approved classroom furniture such as bookcases and file cabinets were made, as well as new rugs and small group instruction tables within classrooms which were lacking. We are at the end of purchasing new classroom desks, chairs, and chair gliders so that all classrooms contain new and matching furniture in great condition. Monies were also allocated and spent within the special areas of art, media literacy, music, PE, and health. Doing so provided monetary support for these programs within the school budget so that these programs could operate properly during the school year. Input from stakeholders across the staff proved useful in determining amounts needed in various supply accounts. Supplies that were ordered were confirmed to be valid needs prior to initiating the purchase process. Whenever possible, members of the staff continued to utilize existing resources to keep costs down.

Lastly, monies were utilized to support the installation of a new projector and sound system in our cafeteria, as well as new furniture for the principal, vice principal, and school counselor's offices as the existing furniture was damaged, aged, and, in some instances, not fully functional.

The 22-23 Asher Holmes budget reflected a commitment to fully support the instructional program while being financially conservative and responsible. The books, services, and materials that were purchased were for mandated and supplemental instructional resources that allowed for an academically rigorous program.

Frank Defino Central Elementary School

The 22-23 school year was an exciting one for Defino Elementary School. We were recognized by the US Department of Education as one of 9 Blue Ribbon Schools in the state of New Jersey in the high performing schools category. We had a number of celebrations involving students and the community as the first Blue Ribbon School in Marlboro's storied history.

Defino Central School is lucky to have cutting edge technology and instructional resources to support student growth. Last year, all 3-5 classrooms were upgraded to new ActivePanels which has been a wonderful tool for our teachers. We also have chromebooks for students in 1st through 5th grade and common core aligned instructional resources to help our students reach their full potential.

In terms of furniture, we continued our effort to replace old desks, chairs and tables. We completed replacing new desks in 2nd grade and have begun to replace desks in 1st grade. We are also continuing to replace older chairs and we are adding bulletin boards to our hallways to display and celebrate student work.

In addition, as always, we purchased needed consumable resources including math workbooks, reading and writing workbooks, photo copy paper and other necessary supplies.

Frank Dugan Elementary School

Frank J. Dugan Elementary School, with the support of the Marlboro Township Board of Education and central office administrators, was able to achieve several budgetary goals in accordance with the district's collective mission and vision statements serving as its guide.

By working collaboratively with the Business Office, adjustments were made to continue to advocate for high-quality educational opportunities for all of our students.

The 2022-2023 school year budget celebrates the following accomplishments:

- Continued work with an expanding Flexible Seating Committee to revolutionize what our instructional spaces look and feel like for learners.
- First school year in which we will enact our strategic budget to begin an upgrade to the Dugan Library. We will continue to advocate for district support in upgrading the media center's infrastructure and capabilities.
- Replacement of Vice Principal's office furniture
- Replacement of broken teacher furniture—many of the items are original to the school.
- Purchasing professional literature to begin tinkering with Professional Learning Communities (PLCs).
- Reallocating certain monies back within accounts due to our district's return to in-person instruction and learning.
- With reallocations and achieving goals over the past several budgets, looking to continue to support the replacement of worn instructional resources to support teaching and learning.

David C. Abbott Early Learning Center

During the 2022-2023 budget cycle the David C. Abbott Early Learning Center's budget continued to evolve to meet the demands of a rigorous curriculum and to personalize learning for each of our students.

As our kindergarten program continued to develop, funds were used to insure that all classrooms were properly furnished and equipped. Everything from age-appropriate furniture to classroom supplies was purchased. Sensory and fine-motor tool kits were replenished. These toolkits allow teachers to address sensory and/or fine-motor needs of students without the need for a consultation with a physical or occupational therapist.

Online tools, such as IXL, ST MATH, Raz Kids, ESGI, and Smarty Ants allowed us to monitor students' reading progress. Empowered with this data, teachers were able to utilize strategies such as small-group instruction and goal setting to meet the needs of each student.

A portion of the budget was dedicated to operational costs. An allocation for copier paper, laminating film, printer ink, health office supplies, office supplies, and classroom/related arts supplies were required for the efficient and safe operation of the building.

Marlboro Elementary School

The budgetary goals for the 2022-2023 school year were rooted in our school's shared vision and mission of preparing students to be leaders in a greater global society and economy. Specifically, the use of Chromebooks, interactive whiteboards and tablets, coupled with an array of online programs and materials aligned to the New Jersey Student Learning Standards (NJSLs), allow teachers to meet the district core principles. The district core principles include the following: data to drive instruction, use of online programs, small group instruction and student set learning goals. In addition, budgeting needs have been identified to support district and building goals for social-emotional character development (SECD) as well as student mental health initiatives. Marlboro Elementary School is fortunate enough to be supported by the Marlboro Township Board of Education through the provision of instructional resources and technology aligned to our mission and vision. The 2022-2023 budget was prepared with the goal of supporting the aforementioned mission and vision. To achieve this goal, purchases were made to accomplish the aforementioned goals through completing the objectives outlined below.

- Purchase of classroom furniture to support instruction, specifically, replacement of pupil desks and chairs.
- Replenishment of materials to support hands-on science instruction.
- Replenishment of consumable materials in both ELA and Mathematics.
- Replacement of Activboard projector bulbs to maintain functioning of critical instructional equipment still in serviceable condition.
- Purchase of library books to maintain and enhance the offerings in our school's library
- Purchase of an audio amplification system for the library to support instruction

Marlboro Middle School

Throughout the 2022-2023 school year, teachers, parents, students, and support personnel worked together to support a school environment centered on academic achievement and personal growth for students in grades six through eight. Adhering to district initiatives, the staff infused data-driven instruction, online tools, and technology into delivering the grade-level curriculum. Teachers have embraced 1:1 digital tools and other curriculum-appropriate resources to provide differentiated instruction and promote students' organizational skills and practices.

Promoting a positive school culture and climate continued to be a school-wide focus. Grade-level programs addressed the expectations of tolerance for others. School-wide events focused on school as a learning community; particularly during the Week of Respect and NJ School Violence Awareness Week. The school psychologist led a building-wide initiative centered on social-emotional learning and the MTSP Pillars and Competencies. Grade-level initiatives promoted empathy and teamwork through their support of children's programs.

Our athletic teams and extracurricular clubs continued to be widely supported by students and parents. Students participated in numerous clubs including the school newspaper, ping pong, ultimate frisbee, and health & fitness. Several students entered the Middle School Technology Association Competition last spring. Once again, our music ensembles and math teams joined other groups in local and regional competitions. Both groups were honored with awards and notes of individual achievement.

In closing, we greatly value the support of staff, parents, and the PTO as we strive to provide an excellent program for our middle school students.

Marlboro Memorial Middle School

The Marlboro Memorial Middle School community worked collaboratively to support a school culture centered on academic and personal growth for all students in grades six through eight during the 2022-2023 school year. MMMS students excelled in Exploravision science competitions, essay writing competitions, and community service. In addition, the MMMS Boys' & Girls' Tennis Team and the Girls Track and Field Team won their league championship.

Students from MMMS continue to be one of the leading sending schools to the FRHSD learning academies, vocational schools, and private schools.

The 2022-2023 building goals centered on peer observation, continuation of the integration of instructional coaches, 21st Century Skills, and Personalized Learning. To that end, teachers conducted peer observations a minimum of twice in a school year in order to improve their instruction. Instructional coaches in Math and ELA helped further each teacher's pedagogy and hone their craft. The use of Chromebooks allowed teachers and students to integrate new methods of instruction and learning into the classroom environment. The Chromebooks also provided teachers the ability to further implement a variety of different digital tools aimed at 21st Century Learning.

MMMS teachers attended monthly Professional Learning Community sessions focusing on improving instruction and meeting the needs of their students. Teachers researched various elements in instruction and turn-keyed the findings to their colleagues which will inform future practices.

Our school PTA continued its strong support for student centered initiatives such as assemblies focusing on anti-bullying, clothing drives, and community service.

Robertsville Elementary School

In preparing students for academic success, the Robertsville faculty worked collaboratively to provide a positive school culture based on reflective practices, inquiry, and professional learning. During the 2022-2023 school year, the budget is aligned with the district vision; we were resolute in our goals of utilizing data to drive instruction and best practices related to small group instruction in the general education classroom, expanding our Social Emotional Learning, and providing Tiered RTI instruction. Also, we focused on using digital tools to differentiate instruction for all learners effectively.

The school budget effectively provided the faculty with resources to accomplish these challenging goals. Instructional materials were purchased to support the language arts program, including buying classroom libraries comprising multiple reading levels and consumable materials associated with district programs. Throughout the school year, the faculty participated in workshops related to digital programs and data reporting to drive our instructional practices.

Daily building operational costs required the most significant 2022-2023 school budget expenditure. Due to substantial increases associated with all materials and shipping, each of these expenditures, copier paper, laminating film, printer ink, poster-making supplies, video news, maintenance contracts, health office supplies, and instructional materials, were purchased at prices significantly higher than in past years. Also, this year we continued the replacement of classroom furniture.

DISTRICT-WIDE

Curriculum:

Mentoring – New teachers to the district have a well-defined mentoring program that will enable them to become acculturated into the Marlboro schools. This program supports new teachers by providing a mentor who acts as a guide the first year. During the second year of mentoring, the concept of coaching has been added to train mentors to further assist new teachers in the instructional process.

Curriculum Writing – Many guides were revised or developed in order to align the newly adopted New Jersey Student Learning Standards. In addition, many curriculum committees worked to modify units of study and resources aligned to the New Jersey Student Learning Standards. Revisions to district assessments in mathematics and English Language Arts took place in July 2016.

Technology:

District-wide technology was used to increase productivity, enhance communication, and enrich curriculum and instruction. Throughout the year, all district administrators, teachers, and appropriate support staff had the use of a networked computer for e-mail and Internet access. All students had access to networked computers for Internet use in classrooms, media centers, and computer labs.

Throughout the district, approximately 1,600 networked computers were in operation and a complete Local Area Network (LAN) was present in each school and in the administration building. These LANs are connected to a Wide Area Network (WAN). The internet service provider is Cablevision - Lightpath. The district maintains a website that includes district information and separate sections for each school. These school sections include individual teacher pages. The district's website was recently updated for a better end-user experience.

Special Services:

- The special services department continues to foster each student's education in their least restrictive environment based on the student's individualized education plan. The special education programs continue to be an essential part of each school within the district. The district continues to have a variety of programming to meet student needs from co-teaching classrooms to self-contained classrooms. In Class Resource (ICR) or co-teaching classrooms are in each school. The co-teaching classrooms allow for both a general education and special education teacher to work together to provide instruction in the general education setting. In addition, pull out resource programs and self-contained programs (LLD, MD, and AUT) were offered in-district to address all levels of special education instruction. Moreover, the district continues to offer Preschool Disabled programming and Preschool Integrated Programming.
- The self-contained programs have continued to progress and the special services department expanded its use of research-based programs to address the multiple learning levels in the self-contained programs. The LLD, MD, and Autism classes have access to district programs like IXL, Edmentum, Raz Plus, and Learning Ally, with a new addition of TouchMath Pro for mathematics. More specifically the Multiply Disabled (MD) and Autism (AUT) programs provide both academic and functional based instruction in order to promote independence. The Autism program has implemented AFLS into the curriculum for functional life skills integration as well as the PEAK curriculum in our Autism programs. All of the self-contained programs have a social skills component. This year, we have the Robokind "Carver" Robots for social emotional learning lessons for our students in the Autism elementary programs. These classes have the opportunity to practice critical social skills individually and in whole group lessons. Additionally, we were able to enhance the community-based instruction opportunities in the middle school to include visits to No Limits Cafe and local establishments.
- The Child Study Team members including behaviorists, related service providers, and mental health professionals, continue to work with teachers, instructional assistants, administrators, and parents to support our students. Speech-language specialists continued to expand an accessible communication initiative to design and install jumbo visual communication boards on school playgrounds. The child study team provided counseling, lunch bunch groups, circle of friend groups, and a check in system for students and families. Our related service providers used various online subscription resources to provide dynamic interventions that incorporated technology and gamify therapy targets. Our behaviorists and child study members provided professional development to staff and families on necessary training and support. The child study team continues to use multiple measures to evaluate students and a variety of diagnostic measures to evaluate and reevaluate students in order to collect data to place students in the appropriate environment.
- The special services department continued and expanded its use of research-based programs to improve access and provide targeted skill support through Learning Ally, Snap&Read, Co:Writer, IXL, TouchMath, Raz Plus, and Edmentum Exact Path. Additionally, our Dyslexia Specialist worked with teachers, Wilson instructors, and child study members, to create, implement, and continuously monitor a plan for students who were identified as needing intensive instruction. Programs such as Wilson Intensive, Foundations, and Just Words are available options for specialized reading instruction. As a result, the department also purchased Leveled Literacy Intervention (LLI) kits to target specific phonological and comprehension needs for students.

Business:

Due to constant changes in the state fiscal environment, the business office continued to evolve during the 2022-23 school year. Increased workload in all areas, while maintaining current staff levels, proves to be an on-going challenge. Accomplishments/initiatives in this school year were as follows:

- For the fifth consecutive year, the district once again experienced state aid cuts under the S2 formula and was able to position itself in a manner in which it did not have to cut any staff or increase the class size model approved by the Board of Education. We were also able to continue making district-wide capital improvements in accordance with our long-term facility plan.
- For the 2022-23 school year, in addition to S2 cuts, the district experienced the first year of impact from the Chapter 44 health benefit legislation. The district's state aid was reduced due to implied savings from Chapter 44. Unfortunately, this will continue to impact the district's state aid.
- During the 2019-20 school year, the district took on an Energy Savings Improvement Program (ESIP) to address key facility upgrades that needed to be done. This project was finally completed during the 2022-23 school year and we have begun to see energy savings.
- For the 21st consecutive year, the Association of School Business Officials (ASBO) International has awarded a Certificate of Excellence in Financial Reporting to the Marlboro Township Board of Education for its Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2022. This award was designed by ASBO International to enable school business officials to achieve a high standard of financial reporting. This award is conferred only to those school systems that meet or exceed the standards of the program.
- Continued to find ways to save taxpayer monies by exploring shared services with Marlboro Township. During the 2022-23 school year, the district continued to participate in an electricity cooperative, the collective purchasing of gasoline and diesel, and a shared service agreement for custodial services.
- The Business Office completed the transition of the entire accounting system to Genesis in the 22-23 school year.
- During the 2022-23 school year, the district was able to complete the roof replacement projects in the entire district.
- In conjunction with Marlboro Township, provided school resource officers and armed police officers in all of the Marlboro schools to help keep the students and staff safe.
- Chartwells' continues to provide catering for district-wide functions throughout the district. Additionally, Chartwells was able to successfully navigate free lunch for all students for the entire school year.
- In 2022-23 Chartwells was still able to meet its financial guarantee to the district by constantly providing meals to students under the USDA waiver which allowed all students to receive a free meal that was fully reimbursable to the district.

Personnel:

The district employed 841 individuals during the 22-23 school year. The certificated staff numbered 534; 28 administrators and supervisors and 506 classroom teachers and educational support personnel (nurses, guidance counselors, child study team members, etc.). In addition, 307 others, including instructional assistants, school aides, bus drivers and attendants, secretaries and clerk-typists, and custodial and maintenance employees, were employed.

In a district the size of Marlboro, there is the need each year to search for qualified candidates. The district was able to accomplish this through a highly competitive recruitment and selection process. Additionally, an impressive array of in-service opportunities helped staff members stay current, allowing them to improve their instructional skills, a hallmark of a progressive and innovative school district. For example, the district continued its new teacher mentoring program. All newly certified teachers and most teachers new to the district were assigned mentors as well as supervisory advocates to assist them in their first year of employment. District administrators further provided these teachers with an extensive in-service program designed to help them acclimate to their new working environment.

Since COVID, the district has struggled with having adequate substitute coverage in the schools. Beginning in the Spring of 2022, the District employed a contracted substitute service (ESS) to provide

substitute teachers, instructional aides, cafeteria aides, nurses and secretaries. The district continued with the service in 2022-23 and will continue into 2023-24.

INTERNAL CONTROLS

Management of the district is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the district are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system 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 awards, the district also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws, regulations, contracts and grants related to those programs. This internal control system is also subject to periodic evaluation by the district management.

As part of the district's Single Audit, described earlier, tests are made to determine adequacy of the internal control system, including that portion related to federal and state financial assistance programs, as well as to determine that the district has complied with applicable laws, regulations, contracts and grants.

BUDGETARY CONTROLS

In addition to internal controls, the district maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue funds, and the debt service fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section. P.L. 2011, c 202 allowed school districts to elect to eliminate the budget vote and adopt a budget approved by the Board of Education and the New Jersey Department of Education (NJDOE) providing that the tax levy increase does not exceed 2% plus any allowable waivers. The Marlboro Township Board of Education elected to eliminate the budget vote on August 21, 2012, effective with the November 2013 election.

ACCOUNTING SYSTEM AND REPORTS

The District's financial statements are presented in conformity with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is an encumbrance accounting system that 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 at fiscal year end. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

AWARDS

The district received the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the 21st consecutive year that the district received this award. In order to be awarded a Certificate of Excellence, the district published an easily readable and efficiently organized ACFR.

This report satisfied both Generally Accepted Accounting Principles in the United States of America and applicable legal requirements. A Certificate of Excellence is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Excellence Program's requirements

and we will be submitting it to ASBO to determine its eligibility for another certificate.

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the board to perform the audit. In addition to meeting the requirements set forth in State Statutes, the audit also was designed to meet requirements of Title 2 U.S. Code of Federal Requirements Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey OMB's Circular 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditors' report on the basic financial statements, required supplementary information, individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the Single Audit are included in the single audit section of this report.

Accounting principles generally accepted in the United States require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Marlboro 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 business office staff.

Respectfully submitted,



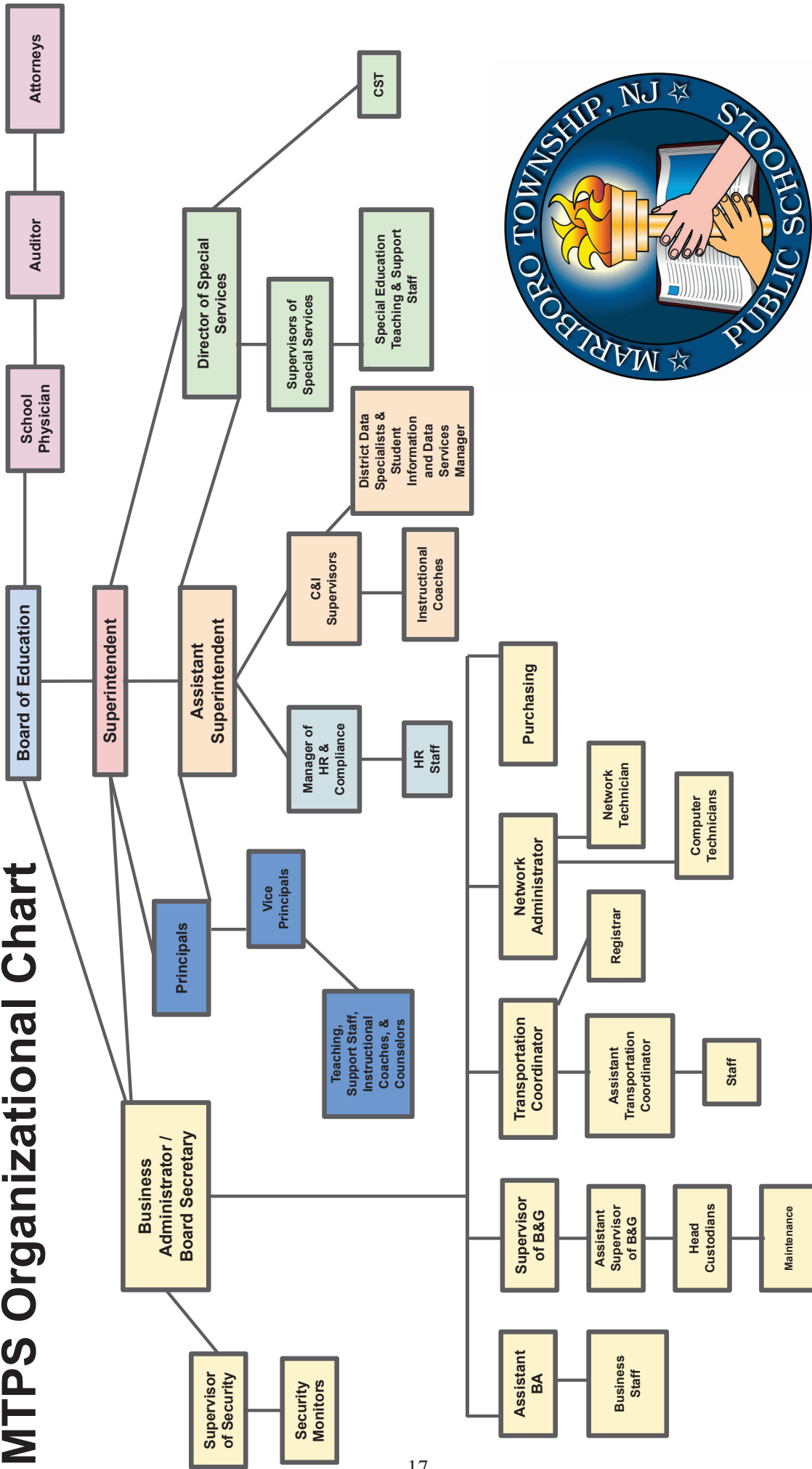
Michael Balone
Superintendent of Schools



Vincent Caravello
School Business Administrator/Board Secretary

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MTPS Organizational Chart



**MARLBORO TOWNSHIP SCHOOL DISTRICT
MARLBORO, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2023**

Members of the Board of Education

TERM EXPIRES

Kathleen Amster, President	2024
Christina Russotto, Vice President	2024
Kerry Ann Jankowski	2023
Michael Lilonsky	2025
Valentina Mendez	2025
Aldo Patrino	2024
Jessica Piernik	2023
Susie Shrem	2023
Annette Siewert	2025

Other Officials

Michael Ballone, Acting Superintendent

Vincent Caravello, School Business Administrator/Board Secretary

**MARLBORO TOWNSHIP SCHOOL DISTRICT
MARLBORO, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2023**

AUDITOR/AUDIT FIRM

Holman Frenia Allison, P. C.
1985 Cedar Bridge Ave., Suite 3
Lakewood, New Jersey 08701

ATTORNEY

Schenck, Price, Smith & King, LLP
220 Park Avenue
P.O. Box 991
Florham Park, New Jersey 07932

OFFICIAL DEPOSITORY

Bank of America
6 South Main Street
Marlboro, New Jersey 07746

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ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Marlboro Township Board of Education

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

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FINANCIAL SECTION

Second Section

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Certified Public Accountants + Advisors

1985 Cedar Bridge Ave., Suite 3 • Lakewood, NJ 08701 • 732.797.1333

194 East Bergen Place • Red Bank, NJ 07701 • 732.747.0010

www.hfacpas.com

INDEPENDENT AUDITORS REPORT

Honorable President and Members
of the Board of Education
Marlboro Township School District
County of Monmouth
Marlboro, New Jersey

Report on the Financial Statements

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 Marlboro Township School District, County of Monmouth, State of New Jersey, as of and for the fiscal year ended, June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District'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 School District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirement prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls 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 School District'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 Responsibility

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 opinion. 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 audit requirements prescribed by the Office of School Finance Department of Education, State of New Jersey 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 School District'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 School District's ability to continue as a going concern for a reasonable period of time.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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 School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. 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 14, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
December 14, 2023

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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MARLBORO TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023 UNAUDITED

This section of the Marlboro Township School District Board of Education's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended 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.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year 2022-2023 and the prior fiscal year 2021-2022 is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- In total, net position of governmental activities decreased (\$12,445,974), which represents a -22.64% decrease from 2022. Total net position of business-type activities increased \$218,686, which represents a 18.32% increase from 2022.
- General revenues accounted for \$93,007,522 in revenue or 73.50% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$33,527,366 or 26.50% of total revenue of \$126,534,888.
- Total assets of governmental activities decreased by (\$13,778,149) as cash and cash equivalents increased by \$4,774,693, receivables decreased by (\$125,856), restricted cash and cash equivalents decreased by (\$7,485,853), and total capital assets decreased by (\$12,713,592).
- Total liabilities of governmental activities decreased by (\$2,693,523) as non-current liabilities due beyond one year increased by \$3,033,367.
- The District had \$136,690,722 in governmental activity expenses; only \$31,237,226 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues from governmental activities (primarily property taxes) of \$93,007,522 were adequate to provide for these programs, resulting in a decrease in net position for governmental activities of (\$12,445,974).
- In the governmental funds, the general fund had \$114,515,356 in revenues and \$117,092,307 in expenditures. The general fund's fund balance decreased by (\$2,576,951) over 2022.

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the Marlboro Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with an overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position (A-1) presents information on the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Changes in Net Position (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods of the district.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund, and debt service fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary Funds

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District. The proprietary fund has been included within business-type activities in the district-wide financial statements.

The food services fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Government-Wide Financial Analysis

The District's financial position is the result of several types of financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position for June 30, 2023 and 2022, respectively:

Net Position
June 30, 2023

	Governmental Activities		Business-Type Activities	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets				
Current and Other				
Assets	\$ 17,090,949	\$ 18,155,506	\$ 884,008	\$ 453,001
Capital Assets, Net	64,873,156	77,586,748	732,968	643,180
Total Assets	<u>81,964,105</u>	<u>95,742,254</u>	<u>1,616,976</u>	<u>1,096,181</u>
Deferred Outflows of Resources				
Deferred Outflows				
Relating to Pension	3,078,028	4,345,539	-	-
Total Assets and Deferred Outflows of Resources	<u>3,078,028</u>	<u>4,345,539</u>	<u>-</u>	<u>-</u>
Liabilities				
Long-Term Liabilities	34,332,872	37,343,300	-	-
Other Liabilities	4,594,908	4,278,003	204,619	307,838
Total Liabilities	<u>38,927,780</u>	<u>41,621,303</u>	<u>204,619</u>	<u>307,838</u>
Deferred Inflows of Resources				
Deferred Inflows				
Relating to Pension	3,590,970	8,506,846	-	-
Total Liabilities and Deferred Inflows of Resources	<u>3,590,970</u>	<u>8,506,846</u>	<u>-</u>	<u>-</u>
Net Position				
Net Investment in				
Capital Assets	49,930,282	62,049,590	732,968	643,180
Restricted	9,607,724	10,111,542	-	-
Unrestricted	(17,014,623)	(22,201,488)	679,389	145,163
Total Net Position	<u>\$ 42,523,383</u>	<u>\$ 49,959,644</u>	<u>\$ 1,412,357</u>	<u>\$ 788,343</u>

The District's largest net position component is the Net Investment in Capital Assets portion as shown above. Restricted balances represent resources that are subject to external restrictions on how they may be used.

Restricted net position decreased \$503,818 from the prior year to \$9,607,724 at June 30, 2023.

Unrestricted net position may be used to meet the District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The (\$17,014,623) is shown as unrestricted net position for Governmental Activities.

The following table provides a summary of revenues and expenses for the District’s governmental and business-type activities and the change in net position for June 30, 2023 and 2022. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the ‘Financial Analysis of the District’s Funds’ section later in this report.

	<u>June 30, 2023</u>		
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 727,316	\$ 727,316
Operating Grants and Contributions	31,237,226	1,562,824	32,800,050
General Revenues:			
Property Taxes	80,701,477	-	80,701,477
Federal and State Aid	11,647,918	-	11,647,918
Miscellaneous	658,127	-	658,127
Total Revenues	<u>124,244,748</u>	<u>2,290,140</u>	<u>126,534,888</u>
Expenses:			
Instructional Services	75,697,393	-	75,697,393
Support Services	60,091,476	2,071,454	62,162,930
Interest and Other Charges	901,853	-	901,853
Total Expenses	<u>136,690,722</u>	<u>2,071,454</u>	<u>138,762,176</u>
Change in Net Position	(12,445,974)	218,686	(12,227,288)
Net Position, Beginning	54,969,357	1,193,671	56,163,028
Net Position, Ending	<u>\$ 42,523,383</u>	<u>\$ 1,412,357</u>	<u>\$ 43,935,740</u>

	<u>June 30, 2022</u>		
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 2,598,401	\$ 2,598,401
Operating Grants and Contributions	36,954,599	413,458	37,368,057
General Revenues:			
Property Taxes	79,200,098	-	79,200,098
Federal and State Aid	9,891,799	-	9,891,799
Miscellaneous	416,116	-	416,116
Total Revenues	<u>126,462,612</u>	<u>3,011,859</u>	<u>129,474,471</u>
Expenses:			
Instructional Services	75,993,640	-	75,993,640
Support Services	44,547,451	2,606,531	47,153,982
Interest and Other Charges	911,808	-	911,808
Total Expenses	<u>121,452,899</u>	<u>2,606,531</u>	<u>124,059,430</u>
Change in Net Position	5,009,713	405,328	5,415,041
Net Position, Beginning	49,959,644	788,343	50,747,987
Net Position, Ending	<u>\$ 54,969,357</u>	<u>\$ 1,193,671</u>	<u>\$ 56,163,028</u>

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unassigned fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended Jun 30, 2023 and 2022 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

	<u>June 30, 2023</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2021	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 40,425,372	33.50%	\$ 2,837,398	7.55%
Undistributed	72,684,080	60.23%	7,255,092	11.09%
Capital Outlay	7,572,744	6.27%	(11,663,971)	-60.63%
Total	<u>\$ 120,682,196</u>	<u>100.00%</u>	<u>\$ (1,571,481)</u>	<u>-1.29%</u>

	<u>June 30, 2022</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2020	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 37,587,974	30.75%	\$ 146,730	0.39%
Undistributed	65,428,988	53.52%	4,680,130	7.70%
Capital Outlay	19,236,715	15.74%	16,758,165	676.13%
Debt Service:				
Principal	-	0.00%	(3,745,000)	-100.00%
Interest	-	0.00%	(35,933)	-100.00%
Total	<u>\$ 122,253,677</u>	<u>100.00%</u>	<u>\$ 17,804,092</u>	<u>17.05%</u>

Instruction costs increased primarily due to negotiated salary increases and additional instructional positions being added.

General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2022-2023 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

Significant Budget Transfers and Variations:

- TPAF, which is the state’s contribution to the pension fund, is an “on-behalf” revenue and expenditure item to the district and is required to be reflected in the financial statements.
- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2022-2023 year.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.

Based on the financial results of 2022-2023, unassigned fund balance decreased by (\$1,527,645) to \$1,190,264 (2% required per S-1701, net of allowable adjustments).

Proprietary Funds. The District’s proprietary fund provides the same type of information found in the district-wide financial statements, but in more detail.

The Food Services Enterprise Fund showed a change in net position of \$218,686 in 2022-2023 as compared to a change in net position of \$168,651 in 2021-2022. The food service fund required no contributions from the Board in 2021-2022 or in the 2022-2023 year.

Capital Assets

At June 30, 2023 the District has capital assets of \$64,873,156, net of depreciation, which includes land, construction in progress, land improvements, buildings/construction, machinery and equipment.

	<u>June 30, 2023</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 6,849,273	\$ -
Buildings/Construction	51,989,213	161,734
Machinery and Equipment	6,034,670	571,234
Total	<u>\$ 64,873,156</u>	<u>\$ 732,968</u>
	<u>June 30, 2022</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 6,849,273	\$ -
Construction In Progress	16,895,194	-
Buildings/Construction	50,730,410	176,316
Machinery and Equipment	3,651,426	510,061
Total	<u>\$ 78,126,303</u>	<u>\$ 686,377</u>

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration and Other Obligations

As of June 30, 2023, the District had \$34,332,872 of outstanding debt. Of this amount, \$2,474,322 is for compensated absences, \$14,942,874 is for financed purchases, and \$16,915,676 is for a net pension liability.

Additional information on the District's debt administration and other obligations can be found in Note 7 to the basic financial statements.

Economic Factors and Subsequent Year's Budgets

- It is the opinion of the Superintendent and Business Administrator that the Marlboro Township School District has historically maintained and continues to maintain a strong financial position. This was confirmed by the rating by Standard and Poor's of the District bonds in May 2018. The District is proud of the community's support of its public schools.
- The Marlboro Township School District, along with many other public school districts in the State face a difficult economic future since the primary sources of funding are property tax revenue and state aid. As a result, the financial well being of the District is tied in large measure to the actions of the state legislature. Significant cuts in state funding and/or restrictions on the growth rate of the local property tax levy could have a substantial impact on the District's programs and services. The growth rate on local property taxes was restricted to 2% beginning with the 2011-2012 school year budget and continues to the present.
- In June 2018, the state legislature enacted legislation that impacted state aid to school districts across the State of New Jersey in a seven-year phase out of Adjustment Aid. Many districts saw increases and some saw decreases in state aid. Marlboro Township School District will be losing approximately \$5 million over the seven-year phase out. Beginning with the 2019-2020 school year budget, the District began to make reductions in recurring costs in its budget while attempting to continue to maintain its aging facilities.
- The district continues to turn its attention towards the replacement of roofs and key mechanical systems. The ESIP Project is finally complete and helped to alleviate some of those issues for the future but the district will still require resources outside of the 2% allowable cap.
- With the continued concern of property taxes, it is important to highlight the areas of either shared services or buying cooperatives in an effort to reduce expenses. These areas include utilizing Educational Data Services for the purchase of classroom supplies, art supplies, maintenance supplies and copy paper. Gasoline and diesel fuel for all busses and maintenance vehicles is purchased through the Township. In June 2020, the district continued its cooperative pricing agreement with Marlboro Township, for the provision and performance of electric generation service for the benefit of the Marlboro Township taxpayers. The District continues with its participation in insurance pool for workers compensation insurance purchased from New Jersey School Insurance Group and the District's legal liability insurance is purchased from Zurich Insurance at significant savings from the previous year. The District is constantly looking for other costs savings measures, including exploring further opportunities for future purchases jointly with other districts within the Freehold Regional area. The District utilizes Colts Neck Board of Education for transportation routes and Howell Board of Education for out-of-district student placements.
- In conclusion, the Marlboro Township Public School District has committed itself to financial excellence for many years. In addition, the District's system for financial planning, budgeting and internal financial controls are well regarded. We are pleased to report for a 21st consecutive year, the district was awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2022 by the Association of School Business Officials International. The District plans to continue its sound fiscal management practices to meet the challenges of the future.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it receives. If you have questions about this report or need additional information, contact Vincent Caravello, School Business Administrator/Board Secretary, Marlboro Township Board of Education, 1980 Township Drive, Marlboro, NJ 07746 or e-mail vcaravello@marlboro.k12.nj.us.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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MARLBORO TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 14,285,962	\$ 774,951	\$ 15,060,913
Receivables, Net (Note 4)	1,587,536	39,961	1,627,497
Inventory	-	69,096	69,096
Restricted Cash & Cash Equivalents	1,192,451	-	1,192,451
Internal Balances	25,000	-	25,000
Capital Assets, Net (Note 5)			
Non-Depreciable	6,849,273	-	6,849,273
Depreciable	58,023,883	732,968	58,756,851
Total Assets	81,964,105	1,616,976	83,581,081
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	3,078,028	-	3,078,028
Total Deferred Outflow of Resources	3,078,028	-	3,078,028
LIABILITIES:			
Accounts Payable	1,443,090	103,566	1,546,656
Contracts Payable - Retainage	61,879	-	61,879
Due to Other Governments	1,544,304	-	1,544,304
Unearned Revenue	238,992	76,053	315,045
Accrued Interest	179,912	-	179,912
Accrued Salaries and Wages	10,150	-	10,150
Payroll Deductions and Withholdings	1,116,581	-	1,116,581
Internal Balances	-	25,000	25,000
Noncurrent Liabilities (Note 7):			
Due Within One Year	1,261,248	-	1,261,248
Due in More Than One Year	33,071,624	-	33,071,624
Total Liabilities	38,927,780	204,619	39,132,399
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	3,590,970	-	3,590,970
Total Deferred Inflow of Resources	3,590,970	-	3,590,970
NET POSITION:			
Net Investment in Capital Assets	49,930,282	732,968	50,663,250
Restricted for:			
Capital Projects	3,193,451	-	3,193,451
Maintenance Reserve	4,366,115	-	4,366,115
Unemployment Compensation	748,861	-	748,861
Student Activities	94,117	-	94,117
Scholarship	1,737	-	1,737
Technology Trust	5,087	-	5,087
Excess Surplus	1,198,356	-	1,198,356
Unrestricted (Deficit)	(17,014,623)	679,389	(16,335,234)
Total Net Position	\$ 42,523,383	\$ 1,412,357	\$ 43,935,740

The accompanying Notes to Financial Statements are an integral part of this statement.

MARLBORO TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 50,290,874	\$ -	\$ 19,039,826	\$ -	\$ (31,251,048)	\$ -	\$ (31,251,048)
Special Education Instruction	20,860,051	-	7,069,735	-	(13,790,315)	-	(13,790,315)
Other Instruction	4,546,468	-	1,540,856	-	(3,005,612)	-	(3,005,612)
Support Services:							
Tuition	1,263,578	-	88,693	-	(1,174,885)	-	(1,174,885)
Student & Instruction Related Services	12,833,037	-	1,392,182	-	(11,440,855)	-	(11,440,855)
General Administrative	2,308,221	-	162,019	-	(2,146,203)	-	(2,146,203)
School Administrative Services	5,825,354	-	408,893	-	(5,416,461)	-	(5,416,461)
Central Services	892,271	-	62,630	-	(829,641)	-	(829,641)
Administrative Info. Technology	817,128	-	57,356	-	(759,773)	-	(759,773)
Plant Operations & Maintenance	29,166,525	-	924,719	-	(28,241,807)	-	(28,241,807)
Pupil Transportation	6,985,360	-	490,317	-	(6,495,044)	-	(6,495,044)
Interest & Other Charges	901,853	-	-	-	(901,853)	-	(901,853)
Total Governmental Activities	136,690,722	-	31,237,226	-	(105,453,496)	-	(105,453,496)
Business-Type Activities:							
Food Service	2,071,454	1,562,824	727,316	-	-	218,686	218,686
Total Business-Type Activities	2,071,454	1,562,824	727,316	-	-	218,686	218,686
Total Primary Government	\$ 138,762,176	\$ 1,562,824	\$ 31,964,542	\$ -	\$ (105,453,496)	\$ 218,686	\$ (105,234,810)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					80,701,477	-	80,701,477
Federal & State Aid Restricted					1,102,212	-	1,102,212
Federal & State Aid Not Restricted					10,545,706	-	10,545,706
Tuition Charges					110,700	-	110,700
Miscellaneous					547,427	-	547,427
Total General Revenues					93,007,522	-	93,007,522
Change In Net Position					(12,445,974)	218,686	(12,227,288)
Net Position - Beginning					54,969,357	1,193,671	56,163,028
Net Position - Ending					42,523,383	1,412,357	43,935,740

The accompanying Notes to Financial Statements are an integral part of this statement.

B. Fund Financial Statements

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Governmental Funds

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MARLBORO TOWNSHIP SCHOOL DISTRICT
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 JUNE 30, 2023

	MAJOR FUNDS		TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	
ASSETS			
Cash & Cash Equivalents	14,927,730	\$ -	\$ 14,927,730
Receivables, Net:			
Interfund Receivable	25,000.00	41,392	66,392
Due from Other Governments:			
Federal	-	975,689	975,689
State	517,423	-	517,423
Other	10,759	-	10,759
Other Accounts Receivable	49,765	33,900	83,665
Restricted Cash & Cash Equivalents	1,192,451	-	1,192,451
Total Assets	<u>\$ 16,723,128</u>	<u>\$ 1,050,981</u>	<u>\$ 17,774,109</u>
LIABILITIES & FUND BALANCES			
Liabilities:			
Cash Deficit	\$ -	\$ 641,768	\$ 641,768
Accounts Payable	1,356,571	86,519	1,443,090
Contracts Payable - Retainage	42,319	19,560	61,879
Intergovernmental Payable:			
State	-	33,901	33,901
Interfund Payable	41,392	-	41,392
Unearned Revenue	70,700	168,292	238,992
Accrued Salaries and Wages	10,150	-	10,150
Payroll Deductions and Withholdings	1,116,581	-	1,116,581
Total Liabilities	<u>2,637,713</u>	<u>950,040</u>	<u>3,587,753</u>
Fund Balances:			
Restricted for:			
Capital Reserve	3,193,451	-	3,193,451
Maintenance Reserve	4,366,115	-	4,366,115
Excess Surplus	857,220	-	857,220
Excess Surplus Designated for Subsequent Year	341,136	-	341,136
Reserve for Unemployment Claims	748,861	-	748,861
Scholarships	-	1,737	1,737
Student Activities	-	94,117	94,117
Technology Trust	-	5,087	5,087
Assigned to:			
Designated for Subsequent Year	1,770,677	-	1,770,677
Other Purposes	1,617,691	-	1,617,691
Unassigned	1,190,264	-	1,190,264
Total Fund Balances	<u>14,085,415</u>	<u>100,941</u>	<u>14,186,356</u>
Total Liabilities & Fund Balances	<u>\$ 16,723,128</u>	<u>\$ 1,050,981</u>	
Amounts reported for <i>governmental activities</i> in the statement of net 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 the assets is \$130,661,733 and the accumulated depreciation is \$65,788,577.			64,873,156
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.			
Deferred Outflows Related to Pensions			3,078,028
Deferred Inflows Related to Pensions			(3,590,970)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.			(179,912)
Accrued pension contributions for the June 30, 2023 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.			(1,510,403)
Long-term liabilities, including net pension liability, financed purchases and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.			<u>(34,332,872)</u>
Net Position of Governmental Activities			<u>\$ 42,523,383</u>

**MARLBORO TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023**

	MAJOR FUNDS		TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	
Revenues:			
Local Sources:			
Local Tax Levy	\$ 80,701,477	\$ -	\$ 80,701,477
Tuition Charges	110,700	-	110,700
Miscellaneous	547,427	196,102	743,529
Total Local Sources	81,359,604	196,102	81,555,706
State Sources	32,395,447	429,888	32,825,335
Federal Sources	27,305	2,963,239	2,990,544
Total Revenues	113,782,356	3,589,229	117,371,585
Expenditures:			
Instruction:			
Regular Instruction	24,861,024	1,996,272	26,857,296
Special Education Instruction	11,140,084	-	11,140,084
Other Instruction	2,427,992	-	2,427,992
Support Services:			
Tuition	949,095	-	949,095
Attendance & Social Work Services	965,080	-	965,080
Health Services	968,042	-	968,042
Student & Instruction Related Services	7,214,584	491,405	7,705,989
General Administrative	1,733,744	-	1,733,744
School Administrative Services	4,375,522	-	4,375,522
Central Services	670,200	-	670,200
Administrative Information Technology	613,759	-	613,759
Plant Operations & Maintenance	10,798,198	-	10,798,198
Pupil Transportation	5,246,822	-	5,246,822
Unallocated Benefits	16,780,583	-	16,780,583
On Behalf TPAF Pension and Social Security Contributions	21,877,046	-	21,877,046
Capital Outlay	6,470,532	1,102,212	7,572,744
Total Expenditures	117,092,307	3,589,889	120,682,196
Excess/(Deficiency) of Revenues Over Expenditures	(3,309,951)	(660)	(3,310,611)
Other Financing Sources (Uses):			
Financed Purchases (Non-Budgeted)	733,000	-	733,000
Total Other Financing Sources (Uses)	733,000	-	733,000
Net Changes in Fund Balances	(2,576,951)	(660)	(2,577,611)
Fund Balance, July 1	16,662,366	101,601	16,763,967
Fund Balance, June 30	\$ 14,085,415	\$ 100,941	\$ 14,186,356

The accompanying Notes to Financial Statements are an integral part of this statement.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Total Net Changes in Fund Balances - Governmental Funds (B-2)		\$ (2,577,611)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
	Depreciation Expense	\$ (3,462,933)
	Adjustment of Capital Asset	(16,895,194)
	Capital Outlays	<u>7,104,980</u>
		(13,253,147)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		2,645,580
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		1,370,558
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.		
	Financed Purchase Proceeds	(733,000)
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 accrued interest is an addition in the reconciliation (+).		
		1,037
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>100,609</u>
Change in Net Position of Governmental Activities		<u>\$ (12,445,974)</u>

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Proprietary Funds

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EXHIBIT B-4

**MARLBORO TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2023**

	MAJOR FUNDS
	BUSINESS-TYPE
	ACTIVITIES -
	ENTERPRISE
	FUNDS
	FOOD
	SERVICE
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 774,951
Accounts Receivable:	
Federal	17,243
State	950
Other Receivables	21,768
Inventories	69,096
Total Current Assets	884,008
Noncurrent Assets:	
Capital Assets	1,356,052
Less: Accumulated Depreciation	(623,084)
Total Capital Assets, Net	732,968
Total Noncurrent Assets	732,968
Total Assets	1,616,976
LIABILITIES	
Current Liabilities:	
Accounts Payable	103,566
Unearned Revenue	76,053
Interfund Payable	25,000
Total Current Liabilities	204,619
NET POSITION	
Net Investment in Capital Assets	732,968
Unrestricted	679,389
Total Net Position	\$ 1,412,357

The accompanying Notes to Financial Statements are an integral part of this statement.

EXHIBIT B-5

**MARLBORO TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 YEAR ENDED JUNE 30, 2023**

	MAJOR FUNDS
	BUSINESS-TYPE
	ACTIVITIES -
	ENTERPRISE
	FUNDS
	FOOD
	SERVICE
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 768,203
Daily Sales - Non-Reimbursable Programs	685,640
Special Functions	70,964
Miscellaneous	38,017
	1,562,824
Total Operating Revenues	1,562,824
Operating Expenses:	
Cost of Sales - Reimbursable Programs	695,392
Cost of Sales - Non-Reimbursable Programs	19,082
Salaries	998,279
Other Purchased Professional Services	143,945
Supplies and Materials	85,231
Depreciation	34,525
Management and Administrative Fees	95,000
	2,071,454
Total Operating Expenses	2,071,454
Operating Income/(Loss)	(508,630)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	19,253
Federal Sources:	
National School Lunch Program	332,349
Healthy Hunger-Free Kids Act	22,135
Supply Chain Assistance Award	216,393
Food Distribution Program	137,186
	727,316
Total Nonoperating Revenues/(Expenses)	727,316
Change in Net Position	218,686
Total Net Position - Beginning	1,193,671
Total Net Position - Ending	\$ 1,412,357

The accompanying Notes to Financial Statements are an integral part of this statement.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023**

	MAJOR FUNDS
	BUSINESS-TYPE
	ACTIVITIES -
	ENTERPRISE
	FUNDS
	FOOD
	SERVICE
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 1,697,523
Payments to Employees	(998,279)
Payments to Suppliers	(1,034,730)
	(335,486)
Net Cash Provided by/(Used for) Operating Activities	(335,486)
Cash Flows From Noncapital Financing Activities:	
State Sources	19,253
Federal Sources	570,877
	590,130
Net Cash Provided by/(Used for) Noncapital Financing Activities	590,130
Cash Flows From Capital & Related Financing Activities:	
Purchases of Capital Assets	(81,116)
	(81,116)
Net Cash Provided by/(Used for) Capital & Related Financing Activities	(81,116)
Net Increase/(Decrease) in Cash & Cash Equivalents	173,528
Balances - Beginning of Year	601,423
Balances - End of Year	\$ 774,951
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Operating Income/(Loss)	\$ (508,630)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Depreciation	34,525
Food Distribution Program	137,186
(Increase)/Decrease in Accounts Receivable, Net	161,717
(Increase)/Decrease in Inventories	(31,903)
Increase/(Decrease) in Other Current Liabilities	25,000
Increase/(Decrease) in Unearned Revenue	(27,018)
Increase/(Decrease) in Accounts Payable	(126,363)
	173,144
Total Adjustments	173,144
Net Cash Provided/(Used) by Operating Activities	\$ (335,486)

The accompanying Notes to Financial Statements are an integral part of this statement.

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Fiduciary Fund

Not Applicable

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MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Marlboro Township School District (the "School District") have been prepared to conform 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. The following is a summary of the more significant of these policies.

Reporting Entity

The School District is a Type II district located in the County of Monmouth, 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 appointed to three-year terms. These terms are staggered so that three members' terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K through 8 at its eight instructional buildings and operates a transportation depot, buildings and grounds office, and an administrative building. The School District has an approximate enrollment at June 30, 2023 of 4,533 and is one of the largest K through 8 districts in Monmouth County.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization's board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity - Omnis - an Amendment of GASB Statements No. 14* and No. 34, GASB Statement No. 80, *Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan - an Amendment of GASB Statements No. 14 and No. 84*. The School District had no component units as of for the year ended June 30, 2022.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

B. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District’s policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District’s policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

The School District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the School District and 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 noninstructional equipment which are classified in the capital outlay sub-fund.

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

C. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The School District reports the following major proprietary funds:

Food Service Fund – The food service fund accounts for the financial transactions related to the food service operations of the School District.

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The School District's fiduciary funds include Custodial Funds which are used to report fiduciary activities where the School District controls assets that are collected on behalf of these entities. These assets are held in a trust and are distributed in accordance with applicable policies. The Custodial Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting in accordance with GASBS No. 84, *Fiduciary Activities*.

The School District reports no fiduciary funds.

MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

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 the special revenue fund are reported as assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue 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.

MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents and Investments

Cash and Cash equivalents include petty cash, change funds, cash in banks 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 and agency obligations and certificates of deposit with maturities of one year or less when purchased are considered cash equivalents and stated at cost.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. 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 at least equal to five percent 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.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents.

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	10-20 Years	N/A
Building and improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 Years

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 School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the School District is eligible to realize the revenue.

MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. 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 proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

Non-spendable – This 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. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These 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) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

Restricted – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and December 14, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Impact of Recently Issued Accounting Principles (Continued)

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2023:

Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Statement No. 99, *Omnibus 2022*.

Management has determined the implementation of these statements did not have a significant impact on the District's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 101, *Compensated Absences*. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Management has not yet determined the potential impact on the District's financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2023, the School District's bank balance of \$16,592,941 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	9,081,273
Uninsured and Uncollateralized		7,511,668
Total	\$	16,592,941

Investments

The School District had no investments at June 30, 2023.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District 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 School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2022	\$	3,592,451
Increased by:		
Interest Earnings		1,000
Deposits Approved by Board		1,000,000
		4,593,451
Decreased by:		
Budget Withdrawals		(1,400,000)
		(1,400,000)
Ending Balance, June 30, 2023	\$	3,193,451

Maintenance Reserve

The School District established a maintenance reserve account in June of 1997 for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District’s approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

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	\$	4,285,135
Increased by:		
Interest Earnings		2,000
Deposits Approved by Board		500,000
		4,787,135
Decreased by:		
Budget Withdrawals		(421,020)
		(421,020)
Ending Balance, June 30, 2023	\$	4,366,115

MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 3. Reserve Accounts (Continued)

Unemployment Claim Reserve

Unemployment Claim Reserve funds are restricted pursuant to *N.J.S.A. 43:21-7.3(g)*, which requires that employer and employee contributions be held in a trust fund maintained by the governmental entity or instrumentality for unemployment benefit cost purposes and any surplus remaining in this trust fund must be retained in reserve for payment of benefit costs in subsequent years.

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

Beginning Balance, July 1, 2022	\$	800,718
Decreased by:		
Withdrawals		(51,857)
Ending Balance, June 30, 2023	\$	748,861

Note 4. Accounts Receivable

Accounts receivable at June 30, 2023 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2023, consisted of the following:

<u>Description</u>	Governmental Funds		Total Governmental Activities
	General Fund	Special Revenue Fund	
Federal Awards	\$ -	\$ 975,689	\$ 975,689
State Awards	517,423	-	517,423
Other	60,524	33,900	94,424
Total	\$ 577,947	\$ 1,009,589	\$ 1,587,536
	Proprietary Funds		Total
<u>Description</u>	Food Service Fund	Business-Type Activities	
Federal Awards	\$ 17,243	\$ 17,243	
State Awards	950	950	
Other	21,768	21,768	
Total	\$ 39,961	\$ 39,961	

MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Governmental Activities			
	Balance July 1, <u>2022</u>	<u>Additions</u>	Retirements and Adjustments	Balance June 30, <u>2023</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 6,849,273	\$ -	\$ -	\$ 6,849,273
Construction in Progress	16,895,194	-	(16,895,194)	-
Total Capital Assets not being depreciated	<u>23,744,467</u>	<u>-</u>	<u>(16,895,194)</u>	<u>6,849,273</u>
Capital Assets being depreciated:				
Buildings and Improvements	104,837,918	3,781,979	-	108,619,897
Equipment	11,869,562	3,323,001	-	15,192,563
Total Capital Assets being depreciated	<u>116,707,480</u>	<u>7,104,980</u>	<u>-</u>	<u>123,812,460</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(54,107,508)	(2,523,176)		(56,630,684)
Equipment	(8,218,136)	(939,757)		(9,157,893)
Total Accumulated Depreciation	<u>(62,325,644)</u>	<u>(3,462,933)</u>	<u>-</u>	<u>(65,788,577)</u>
Total Capital Assets being depreciated, net	<u>54,381,836</u>	<u>3,642,047</u>	<u>-</u>	<u>58,023,883</u>
Total Governmental Activities Capital Assets, net	<u>\$ 78,126,303</u>	<u>\$ 3,642,047</u>	<u>\$ (16,895,194.00)</u>	<u>\$ 64,873,156</u>
	Business-Type Activities			
	Balance July 1, <u>2022</u>	<u>Additions</u>	Retirements and Adjustments	Balance June 30, <u>2023</u>
Business-Type Activities				
Capital Assets being depreciated:				
Buildings	364,554	-	-	364,554
Equipment	910,382	81,116	-	991,498
Total Capital Assets being depreciated	<u>1,274,936</u>	<u>81,116</u>	<u>-</u>	<u>1,356,052</u>
Less: Accumulated Depreciation:				
Buildings	(188,238)	(14,582)		(202,820)
Equipment	(400,321)	(19,943)		(420,264)
Total Accumulated Depreciation	<u>(588,559)</u>	<u>(34,525)</u>	<u>-</u>	<u>(623,084)</u>
Total Capital Assets being depreciated, net	<u>686,377</u>	<u>46,591</u>	<u>-</u>	<u>732,968</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 686,377</u>	<u>\$ 46,591</u>	<u>\$ -</u>	<u>\$ 732,968</u>

An appraisal of capital assets was performed during 2022-2023 resulting in adjustments to the historical value of certain assets. The adjustments are recorded on the Statement of Activities in the government-wide financial statements.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 5. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the School District as follows:

Governmental Activities

Instruction:	
Regular Instruction	\$ 1,264,532
Special Education Instruction	524,513
Other Instruction	114,318
Support Services:	
Tuition	44,687
Student & Instruction Related Services	453,842
General Administrative	81,631
School Administrative Services	206,014
Central Services	31,555
Administrative Info. Technology	28,898
Plant Operations & Maintenance	465,905
Pupil Transportation	247,038
	3,462,933
Total Depreciation Expense - Governmental Activities	\$ 3,462,933

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2023 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 25,000	\$ 41,392
Special Revenue Fund	41,392	-
Food Service Fund	-	25,000
	\$ 66,392	\$ 66,392
	\$ 66,392	\$ 66,392

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

There were no interfund transfers for the year ended June 30, 2023.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2023 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2023</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
Financed Purchases	\$ 15,580,432	\$ 733,000	\$ 1,370,558	\$ 14,942,874	\$ 1,261,248
Compensated Absences	2,574,931	48,460	149,069	2,474,322	-
Net Pension Liability	13,179,162	9,968,986	6,232,472	16,915,676	-
	\$ 31,334,525	\$ 10,750,446	\$ 7,752,099	\$ 34,332,872	\$ 1,261,248
	\$ 31,334,525	\$ 10,750,446	\$ 7,752,099	\$ 34,332,872	\$ 1,261,248

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, financed purchases, unamortized bond premiums and the net pension liability are liquidated by the general fund.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 7. Long-Term Obligations (Continued)

Financed Purchases

The School District executed a financed purchase agreement for Buses and Vans on November 1, 2019 valued at \$641,869 of which \$510,720 has matured and been repaid.

The School District executed a financed purchase agreement for an Energy Savings Improvement Plan (ESIP) on November 8, 2019 valued at \$15,250,000 of which \$1,806,000 has matured and been repaid.

The School District executed a financed purchase agreement for a Backhoe on January 24, 2020 valued at \$100,286 of which \$79,448 has matured and been repaid.

The School District executed a financed purchase agreement for Buses and Vans on July 1, 2021 valued at \$665,860, of which \$397,816 has matured and been repaid.

The School District executed a financed purchase agreement for Copiers on November 3, 2021 valued at \$172,972 of which \$72,135 has matured and been repaid.

The School District executed a financed purchase agreement for Buses and Vans on November 15, 2021 valued at \$668,071 of which \$267,054 has matured and been repaid.

The School District executed a financed purchase agreement for Buses and Vans on November 1, 2022 valued at \$733,000 of which \$156,011 has matured and been repaid.

The following is a schedule of the remaining future minimum financed purchase payments, and the present value of the net minimum financed purchase payments at June 30, 2023:

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2024	\$ 1,554,780
2025	1,410,694
2026	1,180,936
2027	1,050,994
2028	912,903
2029-2033	4,898,418
2034-2038	4,650,699
2039-2040	1,781,965
	17,441,389
Total Minimum Lease Payments	17,441,389
Less: Amount Representing Interest	(2,498,515)
	14,942,874
Present Value of Minimum Lease Payments	\$ 14,942,874

Amortization of the leased equipment and improvements under financed purchases is included with depreciation expense.

Bonds Authorized but not Issued

As of June 30, 2023, the School District had no bonds authorized but not issued.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey (the State), Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were 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

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 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years 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.

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. 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 more than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation is passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

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 collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers 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.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of June 30, 2023. At June 30, 2023, the State's proportionate share of the employer pension expense and related revenue, associated with the District, calculated by the plan as of the June 30, 2022 measurement date was \$35,591.

Pension Liability, Pension (Credit)/Expense and Deferred Outflows/Inflows of Resources - At June 30, 2023, the School District reported a liability of \$16,915,676 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The School District's proportion measured as of June 30, 2022, was 0.11208836% which was an increase of 0.00083914% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension credit of (\$1,232,090) in the government-wide financial statements. This pension credit was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 122,090	\$ 107,666
Changes of Assumptions	52,410	2,532,946
Net Difference between Projected and Actual Earnings on Pension Plan Investments	700,125	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	693,000	950,358
School District contributions subsequent to measurement date	1,510,403	-
	\$ 3,078,028	\$ 3,590,970

\$1,510,403 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2022-2023 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.98%. The payable is due on April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

Year Ending <u>June 30,</u>		
2023	\$	(1,502,482)
2024		(790,713)
2025		(411,985)
2026		735,032
2027		(53,197)
	<u>\$</u>	<u>(2,023,345)</u>

Actuarial Assumptions – The collective 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 assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75 - 6.55%
	Based on years of service
Investment Rate of Return	7.00%
Mortality Rate of Return:	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

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.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

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 Investments 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
	<u>100.00%</u>	

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 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.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2022, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the 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:

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 21,915,733	\$ 16,915,676	\$ 12,925,603

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

	<u>6/30/2023</u>	<u>6/30/2022</u>
Collective Deferred Outflows of Resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective Deferred Inflows of Resources	3,236,303,935	8,339,123,762
Collective Net Pension Liability	15,219,184,920	11,972,782,878
School District's portion	0.1121%	0.1113%

Special Funding Situation - Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be 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 under the legislation 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 related to this legislation. 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 collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers 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.

School District Special Fund Allocation Pension Expense for the year ending June 30, 2023 totaled \$35,591.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - TPAF is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the Division. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/financial-reports.shtml.

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:

<u>Tier</u>	<u>Definition</u>
1	Members who were 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

**MARLBORO TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. 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.

Contributions - The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. 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. For fiscal year 2022, the State's pension contribution was more than the actuarially determined amount.

As mentioned previously, 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, the School District is 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 School District does 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.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2023 was \$183,966,985. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.35656%, which was a decrease of 0.00648% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized a pension expense in the amount of \$4,951,066 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plan's June 30, 2022 measurement date.

Actuarial Assumption - 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:

Inflation Rate:	
Price	2.75%
Wage	3.25%
 Salary Increases:	 2.75 - 5.65%
	Based on Years of Service
 Investment Rate of Return	 7.00%

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% 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 on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% 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.

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 Investments 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 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:	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%
	<u>100.00%</u>	

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

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 made based on 100% of actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District’s proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District’s annual required contribution. The following represents the State’s proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State’s proportionate share of the net pension liability, attributable to the School District’s 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:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (5.00%)
State's Proportionate Share of Net Pension Liability associated with the School District	\$ 215,705,199	\$ 183,966,985	\$ 157,231,528

Pension Plan Fiduciary Net Position - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF’s fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

	6/30/2023	6/30/2022
Collective Deferred Outflows of Resources	\$ 5,004,259,312	\$ 6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,797,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
 School District's portion	 0.35656%	 0.36305%

B. Defined Contribution Retirement Plan (DCRP)

Plan Description - DCRP was established July 1, 2007, under the provisions of *N.J.S.A. 43:15C-1 et seq.* The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in PERS or TPAF on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits;
- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;
- 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.
- 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. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

Contributions - The contribution policy is set by *N.J.S.A. 43:15C-3* and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2023, employee contributions totaled \$83,576, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$61,519.

MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 9. Post-Retirement Benefits

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.

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

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:

Total Nonemployer OPEB Liability: \$50,646,462,966

	TPAF/ABP	PERS	PFRS
Salary Increases:			
Through 2026	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%
	based on years of service	based on years of service	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 the Scale MP-2021. Postretirement mortality rates were based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021 for current disabled retirees. Future disabled retirees were based on 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.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2022 was \$6,873,163. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.36419113%, which was an increase of 0.00524456% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$184,449,926 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date.

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 Medicare Part B reimbursement, the trend rate is 5.00%.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

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.

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

The following presents the total nonemployer OPEB liability as of June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 8,078,680	\$ 6,873,163	\$ 5,907,001
State of New Jersey's Total Nonemployer OPEB Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

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, respectively, 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		
	1% decrease	Healthcare cost trend rate	1% increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 5,681,089	\$ 6,873,163	\$ 8,439,024
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

	Deferred Outflows of	Deferred Inflows of
Differences between Expected & Actual Experience	\$ 9,042,402,619	\$ (15,462,950,679)
Change in Assumptions	8,765,620,577	(17,237,289,230)
Contributions Made in Fiscal Year Ending 6/30/2023 After Measurement Date	TBD	N/A
	\$ 17,808,023,196	\$ (32,700,239,909)

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

Fiscal Year Ending June 30,		
2023	\$	(2,517,151,602)
2024		(2,517,151,602)
2025		(2,517,151,602)
2026		(2,175,449,761)
2027		(1,243,951,140)
Thereafter		(3,921,361,006)
	\$	(14,892,216,713)

** Employer Contributions made after June 30, 2023 are reported as a deferred outflow of resources, but are not amortized in expense.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Plan Membership

At June 30, 2021, the Program membership consisted of the following:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	151,669
	364,817

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

Total OPEB Liability

Service Cost	\$ 2,770,618,025
Interest Cost	1,342,187,139
Differences Between Expected and Actual Experiences	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Contributions: Member	42,650,252
Gross Benefit Payments	(1,329,476,059)
Net Change in Total OPEB Liability	(9,361,188,004)
Total OPEB Liability (Beginning)	60,007,650,970
Total OPEB Liability (Ending)	\$ 50,646,462,966
 Total Covered Employee Payroll	 14,753,355,408
 Net OPEB Liability as a Percentage of Payroll	 343%

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2023, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$14,857,881, \$3,110,563, \$3,903,130, and \$5,472, respectively.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 11. Risk Management

The School 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.

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School 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 School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>	
			<u>Restricted Unemployment Fund Balance</u>	<u>Unemployment Trust Liability</u>
2023	\$ -	\$ 51,857	\$ 748,861	\$ -
2022	100,000	-	800,718	-
2021	-	10,087	700,718	-

Property and Liability Insurance – The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

Joint Insurance Pool – The School District also participates in the Monmouth and Ocean County Shared Services Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 12. Contingencies (Continued)

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District’s programs and activities.

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits 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:

AXA Equitable	Variable Annuity Life Insurance Co. (VALIC)
Metlife Securities, Inc.	Security Benefits

Note 14. Compensated Absences

The School District accounts for compensated absences (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 attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with School Districts’ agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2023, the liability for compensated absences reported was \$2,474,322.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, 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 N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 15. 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 N.J.S.A. 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.

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 was \$857,220.

Note 17. Fund Balances

General Fund – Of the \$14,085,415 General Fund fund balance at June 30, 2023, \$3,193,451 has been restricted for the Capital Reserve Account; \$4,366,115 has been restricted for the Maintenance Reserve Account; \$748,861 has been restricted for unemployment claims; \$857,220 has been restricted for current year excess surplus; \$341,136 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$1,770,677 has been assigned - designated for subsequent year's expenditures; \$1,617,691 has been assigned to other purposes; and \$1,190,264 has been unassigned.

Special Revenue Fund – Of the \$100,941 Special Revenue Fund fund balance at June 30, 2023, \$1,737 is restricted for scholarships; \$94,117 is restricted for student activities; and \$5,087 is restricted for technology trust.

Note 18. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$17,014,623 at June 30, 2023. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2023. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 19. Commitments

The District has contractual commitments as of June 30, 2023 to various vendors, which are recorded in the General Fund as Fund Balance Assigned to Other Purposes in the amount of \$1,617,691.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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MARLBORO TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 80,701,477	\$ -	\$ 80,701,477	\$ -
Tuition	-	-	8,700	8,700
Tuition From Individuals	95,000	-	102,000	7,000
Play Proceeds	-	12,571	11,990	(581)
Student Dues and Fees	-	120,000	87,242	(32,758)
Rents and Royalties	80,000	-	77,804	(2,196)
Refund of Prior Year's Expenditures	-	-	22,090	22,090
Unrestricted Miscellaneous Revenues	307,571	(118,571)	345,301	156,301
Interest Earned on Maintenance Reserve	2,000	-	2,000	-
Interest Earned on Capital Reserve Funds	1,000	-	1,000	-
Total Local Sources	81,187,048	14,000	81,201,048	158,556
State Sources:				
Categorical Transportation Aid	1,189,069	-	1,189,069	-
Extraordinary Aid	350,000	-	350,000	(99,635)
Categorical Special Education Aid	3,375,643	-	3,375,643	-
Stabilization Aid	-	2,285,125	2,285,125	-
Equalization Aid	2,799,058	-	2,799,058	-
Categorical Security Aid	349,448	-	349,448	-
Other State Aids	-	-	68,640	68,640
Securing Our Children's Future Bond Act	-	7,690	7,690	97,395
State Reimbursements for Lead Testing of Drinking Water	-	-	13,927	13,927
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	14,857,881	14,857,881
TPAF Social Security (reimbursed)	-	-	3,110,563	3,110,563
TPAF Post Retirements	-	-	3,903,130	3,903,130
TPAF Long-Term Disability Insurance (on behalf)	-	-	5,472	5,472
Total State Sources	8,063,218	2,292,815	10,356,033	21,957,373
Federal Sources:				
Medicaid Reimbursement	12,620	-	12,620	27,305
Total Federal Sources	12,620	-	12,620	27,305
Total Revenues	89,262,886	2,306,815	91,569,701	22,130,614

MARLBORO TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Current Expense:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	11-105-100-101	187,920	-	187,920	187,578
Other Purchased Services (400-500 series)	11-105-100-500	-	700,820	700,820	686,020
General Supplies	11-105-100-610	-	788,354	788,354	515,521
Kindergarten - Salaries of Teachers	11-110-100-101	2,191,620	(245,309)	1,946,311	1,882,362
Textbooks	11-110-100-640	-	127,950	127,950	122,608
Grades 1-5 - Salaries of Teachers	11-120-100-101	11,240,003	(45,324)	11,194,679	11,106,342
Purchase Professional-Educational Services	11-120-100-300	-	15,490	15,490	9,130
Other Objects	11-120-100-800	-	3,220	3,220	2,152
Grades 6-8 - Salaries of Teachers	11-130-100-101	10,427,594	(348,447)	10,079,147	9,762,940
Regular Programs - Home Instruction:					
Salaries of Teachers	11-150-100-101	12,000	-	12,000	6,298
Purchased Professional - Educational Services	11-150-100-320	6,000	6,000	12,000	10,668
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	11-190-100-106	599,260	5,887	605,147	569,405
Purchased Professional - Educational Services	11-190-100-320	15,490	(15,490)	-	-
Other Purchased Services	11-190-100-500	509,204	(509,204)	-	-
General Supplies	11-190-100-610	817,555	(817,555)	-	-
Textbooks	11-190-100-640	129,950	(129,950)	-	-
Other Objects	11-190-100-800	3,220	(3,220)	-	-
Total Regular Programs - Instruction		26,139,816	(466,778)	25,673,038	24,861,024
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	11-204-100-101	789,005	167,339	956,344	914,246
Other Salaries for Instruction	11-204-100-106	329,059	101,923	430,982	425,573
Other Purchased Services	11-204-100-500	19,050	6,500	25,550	15,941
General Supplies	11-204-100-610	12,400	(2,986.00)	9,414	6,835
Textbooks	11-204-100-640	5,000	-	5,000	3,991
Total Learning and/or Language Disabilities		1,154,514	272,776	1,427,290	1,366,586
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	11-212-100-101	467,730	26,878	494,608	471,281
Other Salaries for Instruction	11-212-100-106	329,059	10,757	339,816	332,430
Other Purchased Services	11-212-100-500	12,670	6,500	19,170	17,553
General Supplies	11-212-100-610	4,850	-	4,850	2,482
Total Multiple Disabilities		814,309	44,135	858,444	823,746
Total		28,294,330	(194,003)	28,099,327	27,497,310

MARLBORO TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Education - Instruction: Resource Room/Resource Center:				
Salaries of Teachers	6,884,071	(114,031)	6,770,040	6,695,323
Other Purchased Services	67,100	30,000	97,100	94,983
General Supplies	51,955	1,999	53,954	46,865
Textbooks	22,149	(16,768)	5,381	-
Total Resource Room/Resource Center	7,025,275	(98,800)	6,926,475	6,837,171
Special Education - Instruction: Autism:				
Salaries of Teachers	463,564	(109,186)	354,378	353,833
Other Salaries for Instruction	480,839	(123,313)	357,526	329,530
Other Purchased Services	15,600	20,000	35,600	24,093
General Supplies	8,600	-	8,600	1,704
Total Autism	968,603	(212,499)	756,104	709,160
Special Education - Instruction: Preschool Disabilities - Part-Time:				
Salaries of Teachers	201,316	(34,213)	167,103	167,102
Other Salaries for Instruction	70,342	20,006	90,348	89,597
Other Purchased Services	5,750	-	5,750	760
General Supplies	5,900	-	5,900	1,081
Total Preschool Disabilities - Part-Time	283,308	(14,207)	269,101	258,540
Special Education - Instruction: Preschool Disabilities - Full-Time:				
Salaries of Teachers	592,805	128,147	720,952	657,321
Other Salaries for Instruction	504,767	(70,223)	434,544	381,405
Other Purchased Services	12,800	5,000	17,800	12,680
General Supplies	22,550	-	22,550	11,373
Total Preschool Disabilities - Full-Time	1,132,922	62,924	1,195,846	1,062,779

MARLBORO TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Education - Instruction:					
Home Instruction:					
Salaries of Teachers	11-219-100-101	10,000	8,000	18,000	-
Purchased Professional - Educational Services	11-219-100-320	60,000	11,000	71,000	6,898
Total Home Instruction		70,000	19,000	89,000	6,898
Total Special Education - Instruction		11,448,931	73,329	11,522,260	382,176
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	11-230-100-101	739,807	-	739,807	116,284
Other Salaries for Instruction	11-230-100-106	274,422	-	274,422	10,137
Other Purchased Services	11-230-100-500	5,180	4,000	9,180	79
General Supplies	11-230-100-610	31,200	-	31,200	258
Total Basic Skills/Remedial - Instruction		1,050,609	4,000	1,054,609	126,758
Bilingual Education - Instruction:					
Salaries of Teachers	11-240-100-101	324,880	100,446	425,326	23,795
Other Purchased Services	11-240-100-500	17,175	(11,200)	5,975	1,215
General Supplies	11-240-100-610	-	4,704	4,704	3,958
Textbooks	11-240-100-640	4,704	(4,704)	-	-
Total Bilingual Education - Instruction		346,759	89,246	436,005	28,968
School-Sponsored Coccircular/Extra Curricular Activities - Instruction:					
Salaries	11-401-100-100	247,289	-	247,289	15,243
Purchased Services (300-500 series)	11-401-100-300	-	10,837	10,837	370
Purchased Services	11-401-100-500	10,687	(10,687)	-	-
Supplies and Materials	11-401-100-600	11,731	-	11,731	1,229
Total School-Sponsored Coccircular/Extra Curricular Activities - Instruction		269,707	150	269,857	16,842
School-Sponsored Athletics - Instruction:					
Salaries	11-402-100-100	205,270	-	205,270	17,996
Supplies and Materials	11-402-100-600	23,179	-	23,179	2,481
Other Objects	11-402-100-800	23,454	-	23,454	5,143
Total School-Sponsored Athletics - Instruction		251,903	-	251,903	25,620

MARLBORO TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Instructional Programs - Instruction					
Salaries	11-403-100-100	610,520	-	610,520	11,141
Other Purchased Services	11-403-100-500	600	-	600	-
Supplies and Materials	11-403-100-600	15,930	-	15,930	2,103
Total Other Instructional Programs - Instruction		627,050	-	627,050	13,244
Undistributed Expenditures - Instruction (Tuition):					
Tuition to Other LEAs Within State - Special	11-000-100-562	-	38,448	38,448	5,869
Tuition to Private School Disabled - Within State	11-000-100-566	829,871	25,763	855,634	9,841
Tuition - Other	11-000-100-569	-	70,723	70,723	-
Total Undistributed Expenditures - Instruction (Tuition)		829,871	134,934	964,805	15,710
Undistributed Expenditures Attendance and Social Work:					
Salaries	11-000-211-100	822,011	136,257	958,268	2
Purchased Professional and Technical Services	11-000-211-300	10,097	(1)	10,096	7,282
Other Purchased Services	11-000-211-500	1,000	4,000	5,000	1,000
Total Undistributed Expenditures Attendance and Social Work		833,108	140,256	973,364	8,284
Undistributed Expenditures - Health Services:					
Salaries	11-000-213-100	915,905	(106,372)	809,533	3
Purchased Professional & Technical Services	11-000-213-300	201,790	(8,386)	193,404	57,123
Other Purchased Services	11-000-213-500	-	10,000	10,000	2,857
Supplies and Materials	11-000-213-600	18,754	369	19,123	4,035
Total Undistributed Expenditures - Health Services		1,136,449	(104,389)	1,032,060	64,018
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	11-000-216-100	1,328,332	(106,709)	1,221,623	5
Purchased Professional - Educational Services	11-000-216-320	124,800	(50,310)	74,490	37
Supplies and Materials	11-000-216-600	14,670	(1,250)	13,420	4,380
Total Undistributed Expenditures - Speech, OT, PT and Related Services		1,467,802	(158,269)	1,309,533	9,082

MARLBORO TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Other Support Services - Extra Services:					
Salaries	11-000-217-100	646,786	8,941	655,727	655,724
Purchased Professional - Educational Services	11-000-217-320	5,000	(5,000)	-	-
Travel - All Other	11-000-217-500	-	15,000	15,000	13,929
					1,071
Total Undistributed Expenditures -		651,786	18,941	670,727	669,653
Other Support Services - Extra Services					1,074
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	11-000-218-104	1,020,826	(12,917)	1,007,909	1,007,907
Salaries of Secretaries & Clerical Assistants	11-000-218-105	122,392	701	123,093	123,092
Other Purchased Professional and Technical Services	11-000-218-390	314,730	(297,052)	17,678	16,140
Other Purchased Services	11-000-218-500	200	25	225	225
Supplies and Materials	11-000-218-600	26,505	(1,521)	24,984	23,431
		1,484,653	(310,764)	1,173,889	1,170,795
Total Undistributed Expenditures - Guidance					3,094
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	11-000-219-104	1,533,446	(16,116)	1,517,330	1,510,508
Salaries of Secretaries & Clerical Assistants	11-000-219-105	155,157	(9,860)	145,297	142,708
Other Salaries	11-000-219-110	49,064	(49,064)	-	-
Unused Vacation Payments	11-000-219-199	-	13,689	13,689	13,689
Purchased Professional - Educational Services	11-000-219-320	155,000	(60,321)	94,679	86,378
Other Purchased Services	11-000-219-500	66,433	(28,933)	37,500	29,002
Miscellaneous Purchased Services	11-000-219-592	-	28,933	28,933	19,230
Supplies and Materials	11-000-219-600	44,600	(22,571)	22,029	14,701
		2,003,700	(144,243)	1,859,457	1,816,216
Total Undistributed Expenditures - Child Study Teams					43,241
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	11-000-221-102	115,665	7,819	123,484	123,483
Salaries of Sec. and Clerical Assist.	11-000-221-105	94,934	(5,714)	89,220	87,896
Other Salaries	11-000-221-110	168,560	(21,182)	147,378	143,532
Sal. of Fac., Math, Literacy Coaches	11-000-221-176	1,224,830	6,960	1,231,790	1,223,788
Unused Vacation Payments	11-000-221-199	-	5,214	5,214	5,213
Other Purchased Professional and Technical Services	11-000-221-390	5,000	-	5,000	4,000
Other Purchased Services	11-000-221-500	73,138	4,233	77,371	68,201
Supplies and Materials	11-000-221-600	20,965	3,609	24,574	18,618
		1,703,092	939	1,704,031	1,682,731
Total Undistributed Expenditures - Improvement of Instruction Services					21,300

MARLBORO TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Educational Media Services/Library:					
Salaries	11-000-222-100	385,240	-	385,240	-
Other Purchased Services	11-000-222-500	42,720	420	43,140	819
Supplies and Materials	11-000-222-600	39,169	(245)	38,924	6,064
Total Undistributed Expenditures - Educational Media Services/Library		467,129	175	467,304	6,883
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	11-000-223-102	28,916	25,564	54,480	1,635
Salaries of Secretarial and Clerical Asst.	11-000-223-105	23,608	(23,608)	-	-
Other Salaries	11-000-223-110	37,843	(13,120)	24,723	11,202
Other Purchased Prof. and Tech. Services	11-000-223-390	2,300	-	2,300	300
Other Purchased Services	11-000-223-500	88,997	(44,655)	44,342	500
Supplies and Materials	11-000-223-600	3,360	-	3,360	1,251
Total Undistributed Expenditures - Instructional Staff Training Services		185,024	(55,819)	129,205	14,888
Undistributed Expenditures - Support Services - General Administration:					
Salaries	11-000-230-100	779,649	17,766	797,415	3,901
Legal Services	11-000-230-331	270,000	(33,117)	236,883	52,737
Audit Fees	11-000-230-332	34,000	7,900	41,900	1,690
Architectural/Engineering Services	11-000-230-334	149,429	42,440	191,869	101,190
Other Purchased Professional Services	11-000-230-339	72,500	(2,678)	69,822	20,475
Purchased Technical Services	11-000-230-340	74,000	4,616	78,616	1
Miscellaneous Purchased Services	11-000-230-510	-	143,533	143,533	14,503
Communications/Telephone	11-000-230-530	404,229	(42,373)	361,856	46,529
Other Purchased Services	11-000-230-590	94,555	(94,555)	-	-
General Supplies	11-000-230-610	22,000	1,798	23,798	11,654
BOE In-House Training/Meeting Supplies	11-000-230-630	500	-	500	394
Judgements Against School District	11-000-230-820	25,000	-	25,000	23,365
Miscellaneous Expenditures	11-000-230-890	9,770	-	9,770	3,495
BOE Membership Dues and Fees	11-000-230-895	38,000	-	38,000	5,284
Total Undistributed Expenditures - Support Services - General Administration		1,973,632	45,330	2,018,962	285,218

MARLBORO TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	11-000-240-103	3,123,586	27,015	3,150,601	3,138,904
Salaries of Secretaries & Clerical Assistants	11-000-240-105	1,022,322	2,514	1,024,836	1,024,371
Other Purchased Services	11-000-240-500	94,247	18,939	113,186	89,869
Supplies and Materials	11-000-240-600	96,844	19,078	115,922	101,492
Other Objects	11-000-240-800	21,772	340	22,112	20,886
Total Undistributed Expenditures -		4,358,771	67,886	4,426,657	4,375,522
Support Services - School Administration					51,135
Undistributed Expenditures - Central Services:					
Salaries	11-000-251-100	673,313	(7,490)	665,823	655,361
Purchased Professional Services	11-000-251-330	2,600	-	2,600	134
Miscellaneous Purchased Services	11-000-251-592	7,400	-	7,400	4,976
Supplies and Materials	11-000-251-600	8,300	-	8,300	6,539
Miscellaneous Expenditures	11-000-251-890	3,200	-	3,200	3,190
Total Undistributed Expenditures - Central Services		694,813	(7,490)	687,323	670,200
Undistributed Expenditures -					17,123
Administrative Information Technology:					
Salaries	11-000-252-100	323,210	(81,331)	241,879	241,847
Purchased Technical Services	11-000-252-340	87,400	(3,300)	84,100	58,244
Other Purchased Services	11-000-252-500	215,731	1,469	217,200	211,350
Supplies and Materials	11-000-252-600	105,614	1,831	107,445	102,318
Total Undistributed Expenditures -		731,955	(81,331)	650,624	613,759
Administrative Information Technology					36,865
Undistributed Expenditures -					
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	11-000-261-420	1,843,000	592,034	2,435,034	1,697,528
Lead Testing of Drinking Water	11-000-261-421	2,500	(2,500)	-	-
General Supplies	11-000-261-610	294,749	(42,741)	252,008	241,142
Total Undistributed Expenditures -		2,140,249	546,793	2,687,042	1,938,670
Required Maintenance for School Facilities					748,372

MARLBORO TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Undistributed Expenditures - Custodial Services:						
Salaries	11-000-262-100	1,809,328	(40,087)	1,769,241	1,737,486	31,755
Salaries of Non-Instructional Aides	11-000-262-107	537,166	(30,610)	506,556	481,552	25,004
Purchased Professional and Technical Services	11-000-262-300	73,810	9,377	83,187	57,302	25,885
Cleaning, Repair & Maintenance Services	11-000-262-420	2,953,655	(49,540)	2,904,115	2,883,969	20,146
Other Purchased Property Services	11-000-262-490	269,685	(2,229)	267,456	234,037	33,419
Insurance	11-000-262-520	252,073	4,068	256,141	255,524	617
Miscellaneous Purchased Services	11-000-262-590	20,750	12,894	33,644	32,488	1,156
General Supplies	11-000-262-610	289,348	(7,896)	281,452	279,576	1,876
Energy (Natural Gas)	11-000-262-621	296,764	186,897	483,661	482,536	1,125
Energy (Electricity)	11-000-262-622	254,049	295,715	549,764	542,156	7,608
Energy (Oil)	11-000-262-624	12,204	3,932	16,136	15,848	288
Other Objects	11-000-262-800	27,398	(4,848)	22,550	16,084	6,466
Interest - Energy Savings Impr Prog Bonds	11-000-262-837	268,890	634,000	902,890	902,890	-
Principal - Energy Savings Impr Prog Bonds	11-000-262-917	634,000	(634,000)	-	-	-
Total Undistributed Expenditures - Custodial Services		7,699,120	377,673	8,076,793	7,921,448	155,345
Undistributed Expenditures - Care and Upkeep of Grounds:						
Salaries	11-000-263-100	30,778	-	30,778	23,593	7,185
Cleaning, Repair & Maintenance Services	11-000-263-420	225,998	(78,725)	147,273	145,605	1,668
General Supplies	11-000-263-610	44,871	(6,624)	38,247	37,986	261
Total Undistributed Expenditures - Care and Upkeep of Grounds		301,647	(85,349)	216,298	207,184	9,114
Security:						
Salaries	11-000-266-100	314,323	32,000	346,323	336,572	9,751
Purchased Professional and Technical Services	11-000-266-300	300,900	(15,830)	285,070	281,710	3,360
Cleaning, Repair, and Maintenance Services	11-000-266-420	103,369	-	103,369	98,110	5,259
General Supplies	11-000-266-610	16,325	-	16,325	13,699	2,626
Other Objects	11-000-266-800	864	-	864	805	59
Total Security		735,781	16,170	751,951	730,896	21,055

MARLBORO TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Student Transportation Services:					
Salaries of Non-Instructional Aides	11-000-270-107	313,065	-	313,065	306,888
Salaries of Pupil Transportation (Between Home & School) - Regular	11-000-270-160	2,073,125	(62,739)	2,010,386	2,010,137
Sal for Pupil Trans (Bet Home & Sch)- Sp Ed	11-000-270-161	496,451	(13,620)	482,831	453,920
Sal for Pupil Trans (Other than Bet. Home & Sch)	11-000-270-162	10,167	487	10,654	2,995
Unused Vacation Payment to Terminated / Retired Staff	11-000-270-199	-	2,065	2,065	-
Other Purchased Prof. and Technical Serv.	11-000-270-390	22,390	810	23,200	22,522
Cleaning, Repair and Maintenance Services	11-000-270-420	59,154	(2,660)	56,494	19,159
Lease Purchase Payments - School Buses	11-000-270-443	690,002	6,645	696,647	694,526
Contract Services - Aid in Lieu Payments - Non Public Schools	11-000-270-503	257,500	77,221	334,721	310,647
Contract Services (Between Home & School) - Vendors	11-000-270-511	180,000	(92,256)	87,744	82,859
Contract Services (Other Than Between Home & School) - Vendors	11-000-270-512	20,000	-	20,000	-
Contract Services (Between Home & School) - Joint Agreement	11-000-270-513	25,750	(25,750)	-	-
Contract Serv.(Sp Ed Stds)-Joint Agrmnts	11-000-270-515	775,000	-	775,000	730,000
Miscellaneous Purchased Services - Transportation	11-000-270-593	65,492	1,855	67,347	63,855
General Supplies	11-000-270-610	7,820	-	7,820	2,969
Transportation Supplies	11-000-270-615	597,150	(22,995)	574,155	532,290
Miscellaneous Expenditures	11-000-270-800	15,291	-	15,291	11,990
		5,608,357	(130,937)	5,477,420	5,246,822
Total Undistributed Expenditures -					230,598
Student Transportation Services					
Unallocated Benefits:					
Social Security Contributions	11-000-291-220	950,000	74,700	1,024,700	1,024,661
Other Retirement Contributions - PERS	11-000-291-241	1,371,057	42,431	1,413,488	1,413,488
Unemployment Compensation	11-000-291-250	125,000	(73,000)	52,000	51,857
Workmen's Compensation	11-000-291-260	426,319	(2,161)	424,158	424,157
Health Benefits	11-000-291-270	13,314,836	250,228	13,565,064	13,408,504
Tuition Reimbursement	11-000-291-280	75,647	(14,700)	60,947	47,126
Other Employee Benefits	11-000-291-290	245,600	-	245,600	240,133
Unused Sick Payment to Staff	11-100-100-299	125,000	45,657	170,657	170,657
		16,633,459	323,155	16,956,614	16,780,583
Total Unallocated Benefits					176,031

MARLBORO TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Nonbudgeted:					
	TPAF Pension (on-behalf)	-	-	-	14,857,881
	TPAF Social Security (reimbursed)	-	-	-	3,110,563
	TPAF Post Retirements	-	-	-	3,903,130
	TPAF Long-Term Disability Insurance (on behalf)	-	-	-	5,472
	Total Undistributed Expenditures	51,640,398	593,661	52,234,059	72,192,675
	Total Expenditures - Current Expense	91,775,173	293,608	92,068,781	110,621,775
Capital Outlay:					
Equipment:					
	Grades 1-5	-	508,583	508,583	508,583
	Grades 6-8	-	502,607	502,607	502,607
	Resource Room/Resource Center	-	2,999	2,999	-
Undistributed Expenditures:					
	Undistributed Expenditures - School Admin.	13,597	4,006	17,603	12,368
	Undistributed Expenditures - Admin Info Tech.	98,470	(607)	97,863	6,453
	Undist. Expend. - Custodial Services	332,934	(188,390)	144,544	139,558
	Undist. Expend.-Student Trans.-Non-Inst. Equip	-	58,785	58,785	58,785
	School Buses - Regular	-	1,139,646	1,139,646	926,418
	Total Equipment	445,001	2,027,629	2,472,630	2,154,772
Facilities Acquisition & Construction Services:					
	Construction Services	3,603,485	65,757	3,669,242	3,477,675
	Bldgs. Other than Lease Purchase Agreements	97,396	(97,396)	-	-
	Special Schools	-	105,085	105,085	105,085
	Total Facilities Acquisition & Construction Services	3,700,881	73,446	3,774,327	3,582,760
Assets Acquired Under Financed Purchases (Non-Budgeted):					
	Financed Purchases (Non-Budgeted)	-	-	-	733,000
	Total Assets Acquired Under Financed Purchases (Non-Budgeted)	-	-	-	733,000
Total Capital Outlay		4,145,882	2,101,075	6,246,957	6,470,532
Total Expenditures		95,921,055	2,394,683	98,315,738	117,092,307
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses)		(6,658,169)	(87,868)	(6,746,037)	(3,391,992)
					3,354,045

MARLBORO TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Financing Sources/(Uses):				
Transfers In/(Out):				
Transfer of Funds to Charter Schools	(84,868)	84,868	-	-
Financed Purchases (Non-Budgeted)	-	-	733,000	733,000
Total Other Financing Sources/(Uses)	(84,868)	84,868	-	733,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses)	(6,743,037)	(3,000)	(6,746,037)	4,087,045
Fund Balances, July 1	17,512,428	-	17,512,428	-
Fund Balances, June 30	\$ 10,769,391	\$ (3,000)	\$ 10,766,391	\$ 4,087,045

RECAPITULATION OF FUND BALANCE

Interest Earned on Maintenance Reserve	\$ 2,000	
Interest Earned on Capital Reserve Funds	1,000	
	<u>3,000</u>	
Restricted Fund Balance:		
Capital Reserve	\$ 3,193,451	
Maintenance Reserve	4,366,115	
Excess Surplus	857,220	
Excess Surplus Designated for Subsequent Year's Expenditures	341,136	
Reserve for Unemployment Claims	748,861	
Assigned Fund Balance:		
Designated for Subsequent Year's Expenditures	1,770,677	
Year-End Encumbrances	1,617,691	
Unassigned Fund Balance	<u>1,958,285</u>	
Subtotal	14,853,436	
Reconciliation to Governmental Funds Statements (GAAP):		
Last State Aid Payments Not Recognized on GAAP Basis	(768,021)	
Fund Balance per Governmental Funds (GAAP)	<u>\$ 14,085,415</u>	

**MARLBORO TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

	JUNE 30, 2023				VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources	\$ -	\$ 129,957	\$ 129,957	\$ 215,414	\$ (85,457)
State Sources	312,689	27,273	339,962	330,880	9,082
Federal Sources	2,893,231	348,645	3,241,876	2,533,685	708,191
Total Revenues	3,205,920	505,875	3,711,795	3,079,979	631,816
Expenditures:					
Instruction:					
Salaries of Teachers	361,396	-	361,396	201,918	159,478
Other Salaries for Instruction	217,742	45,157	262,899	163,351	99,548
Purchased Professional - Educational Services	132,108	44,121	176,229	211,040	(34,811)
Other Purchased Services (400-500 Series)	787,147	80,782	867,929	1,278,390	(410,461)
General Supplies	100,582	5,451	106,033	157,650	(51,617)
Textbooks	15,005	-	15,005	14,088	917
Total Instruction	1,613,980	175,511	1,789,491	2,026,437	(236,946)
Support Services:					
Salaries of Other Professional Staff	135,584	-	135,584	75,199	60,385
Personal Services - Employee Benefits	54,180	3,455	57,635	33,133	24,502
Purchased Educational Services	238,387	10,707	249,094	167,957	81,137
Other Purchased Services (400-500 Series)	6,750	6,697	13,447	6,750	6,697
Supplies and Materials	14,559	215,871	230,430	27,807	202,623
Student Activities	-	83,392	83,392	172,524	(89,132)
Chromebook Repairs	-	10,242	10,242	17,500	(7,258)
Total Support Services	449,460	330,364	779,824	500,870	278,954
Facilities Acquisition & Construction Services:					
Instructional Equipment	164,500	-	164,500	4,452	160,048
Infrastructure	977,980	-	977,980	548,880	429,100
Total Facilities Acquisition & Construction Services	1,142,480	-	1,142,480	553,332	589,148
Total Expenditures	3,205,920	505,875	3,711,795	3,080,639	631,156
Total Outflows	3,205,920	505,875	3,711,795	3,080,639	631,156
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ (660)	\$ 660
Fund Balance, July 1				101,601	
Fund Balance, June 30				100,941	
Recapitulation:					
Restricted:					
Scholarships				\$ 1,737	
Student Activities				94,117	
Technology Trust				5,087	
Total Fund Balance				100,941	

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2023**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 113,700,315	\$ 3,079,979
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(42,999)
Prior Year	-	552,249
The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		
Current Year	(768,021)	-
Prior Year	850,062	-
<hr/>		
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 113,782,356</u>	<u>\$ 3,589,229</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 117,092,307	\$ 3,080,639
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
	-	509,250
<hr/>		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 117,092,307</u>	<u>\$ 3,589,889</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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MARLBORO TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST TEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.1121%	0.1113%	0.11780%	0.11545%	0.10892%	0.11205%	0.11316%	0.10947%	0.11176%	0.11418%
School District's proportionate share of the net pension liability	\$ 16,915,676	\$ 13,179,162	\$ 19,209,643	\$ 20,801,442	\$ 21,445,269	\$ 26,083,284	\$ 30,530,840	\$ 24,573,054	\$ 20,924,067	\$ 21,821,179
School District's covered payroll	\$ 8,469,787	\$ 7,914,825	\$ 8,003,492	\$ 8,420,559	\$ 8,066,661	\$ 7,451,664	\$ 7,563,569	\$ 7,556,838	\$ 7,556,838	\$ -
School District's proportionate share of the net pension liability as a percentage of its covered payroll	199.72%	166.51%	240.02%	247.03%	265.85%	350.03%	403.66%	325.18%	276.89%	0.00%
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%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

MARLBORO TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 1,413,488	\$ 1,302,860	\$ 1,288,642	\$ 1,122,940	\$ 1,083,375	\$ 1,038,017	\$ 1,005,336	\$ 941,119	\$ 921,313	\$ 860,288
Contributions in relation to the contractually required contribution	(1,413,488)	(1,302,860)	(1,288,642)	(1,122,940)	(1,083,375)	(1,038,017)	(1,005,336)	(941,119)	(921,313)	(860,288)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 8,570,884	\$ 8,469,787	\$ 7,914,825	\$ 8,003,492	\$ 8,420,559	\$ 8,066,661	\$ 7,451,664	\$ 7,563,569	\$ 7,556,838	\$ 7,556,838
Contributions as a percentage of covered payroll	16.49%	15.38%	16.28%	14.03%	12.87%	12.87%	13.49%	12.44%	12.19%	11.38%

MARLBORO 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*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 183,966,985	\$ 174,535,906	\$ 243,129,433	\$ 219,073,748	\$ 233,643,713	\$ 245,811,661	\$ 293,394,568	\$ 238,571,199	\$ 198,195,083	\$ 187,008,674
School District's covered payroll	\$ 183,966,985	\$ 174,535,906	\$ 243,129,433	\$ 219,073,748	\$ 233,643,713	\$ 245,811,661	\$ 293,394,568	\$ 238,571,199	\$ 198,195,083	\$ 187,008,674
School District's proportionate share of the net pension liability as a percentage of its covered payroll	\$ 44,140,049.00	\$ 42,178,830.00	\$ 40,551,122.00	\$ 40,156,457.00	\$ 39,259,445.00	\$ 37,474,004.00	\$ 37,474,004.00	\$ 37,842,545.00	\$ 37,025,512.00	\$ 36,267,687.00
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	32.29%	35.52%	26.49%	25.41%	22.33%	28.71%	35.09%	41.47%	33.64%	33.76%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT
BENEFITS (GASB 75)**

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**MARLBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST SIX FISCAL YEARS***

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 9,548,283	\$ 11,453,909	\$ 6,383,515	\$ 5,933,498	\$ 6,714,057	\$ 8,097,639
Interest Cost	4,888,126	5,587,583	5,306,673	6,301,650	6,693,991	5,777,624
Changes of Benefit Terms	-	(229,262)	-	-	-	-
Difference Between Expected and Actual Experiences	8,784,963	(40,508,312)	43,868,713	(21,846,270)	(14,278,906)	-
Changes of Assumptions	(49,480,348)	212,504	44,412,882	2,195,812	(18,254,354)	(24,149,315)
Contributions: Member	155,328	142,847	128,297	134,008	147,009	155,485
Gross Benefit Payments	(4,841,834)	(4,401,451)	(4,232,825)	(4,520,760)	(4,253,539)	(4,222,551)
Net Change in Total OPEB Liability	(30,945,482)	(27,742,182)	95,867,255	(11,802,062)	(23,231,742)	(14,341,118)
Total OPEB Liability (Beginning)	215,395,408	243,137,590	147,270,335	159,072,397	182,304,139	196,645,257
Total OPEB Liability (Ending)	\$ 184,449,926	\$ 215,395,408	\$ 243,137,590	\$ 147,270,335	\$ 159,072,397	\$ 182,304,139
State's Covered Employee Payroll	\$ 52,609,836	\$ 50,093,655	\$ 48,554,614	\$ 48,159,949	\$ 49,811,257	\$ 48,836,607
Net OPEB Liability as a Percentage of Payroll	351%	430%	501%	306%	319%	373%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2023**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	5.60%	2016	3.22%
2021	7.00%	2018	4.86%	2015	4.13%
2020	5.40%	2017	4.25%	2014	4.68%

The long-term expected rate of return used as of June 30, measurement data is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.30%	2017	7.00%	2014	7.90%

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

The June 30, 2022 measurement date includes three changes to the plan provisions, only one of which had an impact on the Total Pension Liability. Chapter 226, P.L. 2021 reopened the Prosecutor's Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes in Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	6.28%	2016	3.98%
2021	7.00%	2018	5.66%	2015	4.90%
2020	7.00%	2017	5.00%	2014	5.39%

The long-term expected rate of return used as of June 30, measurement data is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms

None.

Changes in Assumptions

The June 30, 2022 measurement date includes changes in assumptions due to the combined effect of the trend rate, experience study update, and discount rate change.

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%	2016	2.85%
2021	2.16%	2018	3.87%		
2020	2.21%	2017	3.58%		

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**MARLBORO TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	Title I	Title IIA	Title III	Title IV	I.D.E.A. Part B - Basic
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	137,102	70,713	22,860	10,572	1,233,980
Total Revenues	\$ 137,102	\$ 70,713	\$ 22,860	\$ 10,572	\$ 1,233,980
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 87,012	\$ -	\$ -	\$ -	\$ -
Other Salaries for Instruction	-	-	-	-	163,351
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	6,975	-	875	7,605	870,163
General Supplies	3,558	-	6,681	857	86,740
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Instruction	97,545	-	7,556	8,462	1,120,254
Support Services:					
Salaries of Other Professional Staff	26,932	21,835	13,568	1,960	10,904
Personal Services - Employee Benefits	8,989	1,670	1,038	150	12,496
Purchased Educational Services	1,500	47,208	-	-	77,268
Other Purchased Services (400-500 Series)	-	-	-	-	-
Supplies and Materials	2,136	-	698	-	13,058
Student Activities	-	-	-	-	-
Total Support Services	39,557	70,713	15,304	2,110	113,726
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	-	-	-	-
Infrastructure	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-
Total Expenditures	\$ 137,102	\$ 70,713	\$ 22,860	\$ 10,572	\$ 1,233,980
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

MARLBORO TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023

	I.D.E.A Part B. - Preschool	ARP - I.D.E.A. Part B. - Basic	ARP - I.D.E.A. Part B. - Preschool	Education Stabilization Fund (CARES Act)	Education Stabilization Fund (ARP ESSER)
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	39,108	16,935	2,031	87,332	913,052
Total Revenues	\$ 39,108	\$ 16,935	\$ 2,031	\$ 87,332	\$ 913,052
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 52,955	\$ 61,951
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	29,742
Other Purchased Services (400-500 Series)	-	2,942	-	-	377,316
General Supplies	11,604	6,726	2,030	-	-
Textbooks	-	-	-	-	-
Total Instruction	11,604	9,668	2,030	52,955	469,009
Support Services:					
Salaries of Other Professional Staff	-	-	-	-	-
Personal Services - Employee Benefits	-	-	1	4,050	4,739
Purchased Educational Services	17,514	5,342	-	19,125	-
Other Purchased Services (400-500 Series)	-	-	-	6,750	-
Transportation	-	-	-	-	-
Supplies and Materials	9,990	1,925	-	-	-
Student Activities	-	-	-	-	-
Total Support Services	27,504	7,267	1	29,925	4,739
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	-	-	4,452	-
Infrastructure	-	-	-	-	439,304
Total Facilities Acquisition & Construction Services	-	-	-	4,452	439,304
Total Expenditures	\$ 39,108	\$ 16,935	\$ 2,031	\$ 87,332	\$ 913,052
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**MARLBORO TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	SDA Emergent Needs and Capital Maintenance	Nonpublic Textbooks	Nonpublic Auxiliary	Nonpublic Handicapped	Nonpublic Nursing	Nonpublic Technology
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	109,576	14,088	43,654	69,024	32,368	9,894
Federal Sources	-	-	-	-	-	-
Total Revenues	\$ 109,576	\$ 14,088	\$ 43,654	\$ 69,024	\$ 32,368	\$ 9,894
Expenditures:						
Instruction:						
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Salaries for Instruction	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	43,654	69,024	32,368	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	3,250
General Supplies	-	-	-	-	-	6,644
Textbooks	-	14,088	-	-	-	-
Total Instruction	-	14,088	43,654	69,024	32,368	9,894
Support Services:						
Salaries of Other Professional Staff	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-
Purchased Educational Services	-	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-
Total Support Services	-	-	-	-	-	-
Facilities Acquisition & Construction Services:						
Instructional Equipment	-	-	-	-	-	-
Infrastructure	109,576	-	-	-	-	-
Total Facilities Acquisition & Construction Services	109,576	-	-	-	-	-
Total Expenditures	\$ 109,576	\$ 14,088	\$ 43,654	\$ 69,024	\$ 32,368	\$ 9,894
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**MARLBORO TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	Nonpublic Security	Other Local Grants	Student Activity	Scholarships	Technology Trust	Totals
Revenues:						
Local Sources	\$ -	\$ 26,050	\$ 174,742	\$ -	\$ 14,622	\$ 215,414
State Sources	52,276	-	-	-	-	330,880
Federal Sources	-	-	-	-	-	2,533,685
Total Revenues	\$ 52,276	\$ 26,050	\$ 174,742	\$ -	\$ 14,622	\$ 3,079,979
Expenditures:						
Instruction:						
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201,918
Other Salaries for Instruction	-	-	-	-	-	163,351
Purchased Professional - Educational Services	33,090	3,162	-	-	-	211,040
Other Purchased Services (400-500 Series)	9,264	-	-	-	-	1,278,390
General Supplies	9,922	22,888	-	-	-	157,650
Textbooks	-	-	-	-	-	14,088
Total Instruction	52,276	26,050	-	-	-	2,026,437
Support Services:						
Salaries of Other Professional Staff	-	-	-	-	-	75,199
Personal Services - Employee Benefits	-	-	-	-	-	33,133
Purchased Educational Services	-	-	-	-	-	167,957
Other Purchased Services (400-500 Series)	-	-	-	-	-	6,750
Supplies and Materials	-	-	-	-	-	27,807
Student Activities	-	-	172,524	-	-	172,524
Chromebook Repairs	-	-	-	-	17,500	17,500
Total Support Services	-	-	172,524	-	17,500	500,870
Facilities Acquisition & Construction Services:						
Instructional Equipment	-	-	-	-	-	4,452
Infrastructure	-	-	-	-	-	548,880
Total Facilities Acquisition & Construction Services	-	-	-	-	-	553,332
Total Expenditures	\$ 52,276	\$ 26,050	\$ 172,524	\$ -	\$ 17,500	\$ 3,080,639
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	2,218	-	(2,878)	(660)
Fund Balance, July 1	-	-	91,899	1,737	7,965	101,601
Fund Balance, June 30	\$ -	\$ -	\$ 94,117	\$ 1,737	\$ 5,087	\$ 100,941

F. Capital Projects Fund

Not Applicable

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H. Fiduciary Fund

Not Applicable

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I. Long-Term Debt

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**MARLBORO TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
YEAR ENDED JUNE 30, 2023**

PURPOSE	AMOUNT OF ORIGINAL ISSUE	INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2022	ISSUED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2023
2020 Buses - 5						
2019 Vans - 2	\$ 619,460	2.99%	\$ 127,632	\$ -	\$ 127,632	\$ -
2020 Buses - 5						
2020 Mid- Bus -2	641,869	4.21%	259,715	-	128,566	131,149
2020 Backhoe - 1	100,286	3.70%	40,918	-	20,081	20,837
School Energy Savings Program	15,250,000	1.91%	14,078,000	-	634,000	13,444,000
2022 Buses - 5						
2021 Mid-Bus - 2	665,860	1.09%	399,902	-	131,858	268,044
2022 Buses - 5						
2023 Mid- Bus -2	668,071	1.19%	531,563	-	130,546	401,017
2022 Copiers	172,972	3.00%	142,702	-	41,864	100,838
2023 Buses - 5						
2023 Mid- Bus -2	733,000	3.83%	-	733,000	156,011	576,989
Total	\$ 15,580,432	\$	\$ 15,580,432	\$ 733,000	\$ 1,370,558	\$ 14,942,874

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STATISTICAL SECTION (Unaudited)

Third Section

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. The Exhibits are presented for the last ten fiscal years.

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MARLBORO TOWNSHIP SCHOOL DISTRICT
 NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
 UNAUDITED
 (Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 49,930,282	\$ 62,545,871	\$ 62,049,590	\$ 59,941,496	\$ 56,705,311	\$ 53,404,182	\$ 50,326,279	\$ 46,102,941	\$ 42,859,895	\$ 33,963,210
Restricted	9,607,724	9,692,506	10,111,542	12,135,960	8,864,994	7,557,935	8,452,497	7,011,165	4,746,088	4,519,095
Unrestricted (Deficit)	(17,014,623)	(17,269,020)	(22,201,488)	(25,789,241)	(25,179,420)	(23,944,710)	(24,472,923)	(22,639,727)	(21,372,114)	7,517,414
Total Governmental Activities										
Net Position	\$ 42,523,383	\$ 54,969,357	\$ 49,959,644	\$ 46,288,215	\$ 40,390,885	\$ 37,017,407	\$ 34,305,853	\$ 30,474,379	\$ 26,233,869	\$ 45,999,719
Business-Type Activities:										
Net Investment in Capital Assets	\$ 732,968	\$ 686,377	\$ 643,180	\$ 398,368	\$ 434,932	\$ 359,653	\$ 283,050	\$ 310,817	\$ 345,397	\$ 356,607
Unrestricted (Deficit)	679,389	507,294	145,163	221,324	208,489	313,554	419,183	366,103	326,063	316,850
Total Business-Type Activities										
Net Position	\$ 1,412,357	\$ 1,193,671	\$ 788,343	\$ 619,692	\$ 643,421	\$ 673,207	\$ 702,233	\$ 676,920	\$ 671,460	\$ 673,457
District-Wide:										
Net Investment in Capital Assets	\$ 50,663,250	\$ 63,232,248	\$ 62,692,770	\$ 60,339,864	\$ 57,140,243	\$ 53,763,835	\$ 50,609,329	\$ 46,413,758	\$ 43,205,292	\$ 34,319,817
Restricted	9,607,724	9,692,506	10,111,542	12,135,960	8,864,994	7,557,935	8,452,497	7,011,165	4,746,088	4,519,095
Unrestricted (Deficit)	(16,335,234)	(16,761,726)	(22,056,325)	(25,567,917)	(24,970,931)	(23,631,156)	(24,053,740)	(22,273,624)	(21,046,051)	7,834,264
Total District Net Position	\$ 43,935,740	\$ 56,163,028	\$ 50,747,987	\$ 46,907,907	\$ 41,034,306	\$ 37,690,614	\$ 35,008,086	\$ 31,151,299	\$ 26,905,329	\$ 46,673,176

Source: ACFR Schedule A-1

MARLBORO TOWNSHIP SCHOOL DISTRICT
 CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
 LAST TEN FISCAL YEARS
 UNAUDITED

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 50,290,874	\$ 50,709,036	\$ 54,934,279	\$ 43,349,934	\$ 48,815,408	\$ 51,708,987	\$ 47,360,063	\$ 41,644,306	\$ 38,812,737	\$ 35,881,684
Special Education	20,860,051	20,562,075	12,531,759	12,287,361	11,981,547	12,742,003	18,829,601	16,686,291	15,383,599	13,183,818
Other Instruction	4,546,468	4,722,530	4,140,535	3,600,544	3,503,123	4,188,185	4,137,725	4,301,453	3,899,995	2,933,164
Nonpublic School Programs	-	-	-	286,134	243,995	235,282	211,020	200,447	169,623	157,033
Support Services:										
Tuition	1,263,578	1,457,631	1,869,785	2,424,369	1,818,934	2,721,703	2,187,105	2,167,769	2,146,011	2,002,297
Student & Instruction Related Services	12,833,037	14,036,103	14,133,175	14,255,555	15,683,290	15,861,888	14,567,546	12,977,350	12,185,012	10,450,249
Other Administrative Services	2,308,221	2,517,414	2,468,197	2,428,303	2,315,074	2,425,769	2,100,175	2,044,009	2,067,140	1,915,430
Central Services	892,271	915,556	930,376	-	-	-	-	-	-	-
Administration Information Technology Services	817,128	1,086,219	1,542,022	-	-	-	-	-	-	-
School Administrative Services	5,825,354	5,915,669	6,056,017	6,607,534	7,131,493	7,588,044	7,369,904	6,607,572	6,087,140	5,423,443
Business Administrative Services	-	-	-	2,050,207	2,110,212	2,284,908	2,084,087	1,945,728	1,651,141	1,366,947
Plant Operations & Maintenance	29,166,525	11,703,677	11,815,389	12,625,527	11,304,569	10,341,640	9,133,883	9,152,971	8,867,078	8,762,802
Pupil Transportation	6,985,360	6,915,181	6,118,795	6,287,231	6,245,266	6,840,307	6,561,180	6,026,469	5,813,977	5,242,739
Interest & Other Charges	901,853	911,808	999,690	104,170	315,204	316,498	452,578	468,930	319,931	489,239
Total Governmental Activities	136,690,722	121,452,898	117,540,019	106,306,869	111,468,115	117,255,214	114,994,867	104,223,295	97,403,384	87,808,845
Expenses										
Business-Type Activities:										
Food Service	2,071,454	2,606,531	1,461,043	1,195,016	1,516,656	1,428,476	1,378,373	1,466,306	1,334,342	1,327,727
Total Business-Type Activities	2,071,454	2,606,531	1,461,043	1,195,016	1,516,656	1,428,476	1,378,373	1,466,306	1,334,342	1,327,727
Expense										
Total District Expenses	\$ 138,762,176	\$ 124,059,429	\$ 119,001,062	\$ 107,501,885	\$ 112,984,771	\$ 118,683,690	\$ 116,373,240	\$ 105,689,601	\$ 98,737,726	\$ 89,136,572
Program Revenues:										
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 196,257	\$ 207,364	\$ 730,708	\$ 813,455	\$ 701,446	\$ 709,437
Operating Grants & Contributions	31,237,226	36,954,599	32,156,605	21,684,063	25,501,358	31,677,611	19,511,076	13,224,474	15,722,047	8,968,290
Total Governmental Activities	31,237,226	36,954,599	32,156,605	21,684,063	25,697,615	31,884,975	20,241,784	14,037,929	16,423,493	9,677,727
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	1,562,824	413,458	9,886	798,963	1,167,379	1,104,299	1,151,499	1,175,748	1,107,644	1,072,939
Operating Grants & Contributions	727,316	2,598,401	1,619,808	372,324	319,491	295,151	252,551	296,018	224,701	268,620
Total Business Type Activities	2,290,140	3,011,859	1,629,694	1,171,287	1,486,870	1,399,450	1,404,050	1,471,766	1,332,345	1,341,559
Program Revenues										
Total District Program Revenues	\$ 33,527,366	\$ 39,966,458	\$ 33,786,299	\$ 22,855,350	\$ 27,184,485	\$ 33,284,425	\$ 21,645,834	\$ 15,509,695	\$ 17,755,838	\$ 11,019,286
Net (Expense)/Revenue:										
Governmental Activities	\$ (105,453,496)	\$ (84,498,299)	\$ (85,383,414)	\$ (84,622,806)	\$ (85,770,500)	\$ (85,370,239)	\$ (94,753,083)	\$ (90,185,366)	\$ (80,979,891)	\$ (78,131,118)
Business-Type Activities	218,686	405,328	168,651	(23,729)	(29,786)	(29,026)	25,677	5,460	(1,997)	13,832
Total District-Wide Net Expense	\$ (105,234,810)	\$ (84,092,971)	\$ (85,214,763)	\$ (84,646,535)	\$ (85,800,286)	\$ (85,399,265)	\$ (94,727,406)	\$ (90,179,906)	\$ (80,981,888)	\$ (78,117,286)

MARLBORO TOWNSHIP SCHOOL DISTRICT
 CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
 LAST TEN FISCAL YEARS
 UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30,										
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 80,701,477	\$ 79,200,098	\$ 77,647,155	\$ 74,806,764	\$ 73,339,965	\$ 71,901,926	\$ 71,178,461	\$ 68,007,538	\$ 63,742,279	\$ 62,607,136
Taxes Levied for Debt Service	-	-	-	3,093,229	3,067,690	3,044,386	3,945,945	3,941,633	3,849,426	3,881,857
Grants & Contributions	11,647,918	9,891,799	10,438,465	11,864,800	12,312,729	12,804,932	22,994,948	22,025,896	15,176,417	12,230,385
Investment Earnings	-	-	-	96,993	70,168	12,021	4,409	6,466	1,238	2,299
Tuition Received	110,700	118,549	42,285	-	-	-	-	-	-	-
Miscellaneous Income	547,427	297,566	94,906	648,458	353,426	318,528	460,430	444,343	265,860	376,994
Transfers In/Out	-	-	-	-	-	-	364	-	-	-
Special and Extraordinary Items	-	-	(10,087)	9,892	-	-	-	-	-	-
Total Governmental Activities	93,007,522	89,508,012	88,212,724	90,520,136	89,143,978	88,081,793	98,584,557	94,425,876	83,035,220	79,098,671
Business-Type Activities:										
Transfers In/Out	-	-	-	-	-	-	(364)	-	-	-
Total Business-Type Activities	-	-	-	-	-	-	(364)	-	-	-
Total District-Wide	\$ 93,007,522	\$ 89,508,012	\$ 88,212,724	\$ 90,520,136	\$ 89,143,978	\$ 88,081,793	\$ 98,584,193	\$ 94,425,876	\$ 83,035,220	\$ 79,098,671
Change in Net Position:										
Governmental Activities	\$ (12,445,974)	\$ 5,009,713	\$ 2,829,310	\$ 5,897,330	\$ 3,373,478	\$ 2,711,554	\$ 3,831,474	\$ 4,240,510	\$ 2,055,329	\$ 967,553
Business-Type Activities	218,686	405,328	168,651	(23,729)	(29,786)	(29,026)	25,313	5,460	(1,997)	13,832
Total District	\$ (12,227,288)	\$ 5,415,041	\$ 2,997,961	\$ 5,873,601	\$ 3,343,692	\$ 2,682,528	\$ 3,856,787	\$ 4,245,970	\$ 2,053,332	\$ 981,385

Source: ACFR Schedule A-2

**MARLBORO TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Restricted	\$ 9,506,783	\$ 9,590,905	\$ 10,001,169	\$ 12,126,067	\$ 8,864,994	\$ 7,557,935	\$ 8,452,495	\$ 6,953,497	\$ 4,746,086	\$ 4,795,192
Committed	-	-	-	818,077	908,957	1,896,829	1,118,967	242,378	517,490	4,503,346
Assigned	3,388,368	4,353,552	2,604,414	402,521	835,393	1,245,372	888,591	540,646	750,000	992,624
Unassigned	1,190,264	2,717,909	2,652,624	936,669	1,038,202	992,719	903,675	919,683	876,841	795,403
Total General Fund	\$ 14,085,415	\$ 16,662,366	\$ 15,258,207	\$ 14,283,334	\$ 11,647,546	\$ 11,692,855	\$ 11,363,728	\$ 8,656,204	\$ 6,890,417	\$ 11,086,565
All Other Governmental Funds:										
Restricted	\$ 100,941	\$ 101,601	\$ 100,481	\$ -	\$ -	\$ -	\$ 2	\$ 2	\$ 1	\$ 115,467
Assigned	-	-	9,892	9,894	1	-	-	-	-	-
Total All Other Governmental Funds	\$ 100,941	\$ 101,601	\$ 110,373	\$ 9,894	\$ 1	\$ -	\$ 2	\$ 2	\$ 1	\$ 115,467

Source: ACFR Schedule B-1

MARLBORO TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED
(Modified Accrual Basis of Accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Tax Levy	\$ 80,701,477	\$ 79,200,098	\$ 77,647,155	\$ 77,899,993	\$ 76,407,655	\$ 74,946,312	\$ 75,124,406	\$ 71,949,171	\$ 67,591,705	\$ 66,488,993
Tuition Charges	110,700	118,549	42,285	91,375	93,066	88,000	606,909	689,506	585,678	596,323
Interest Earnings	-	-	-	96,993	70,168	12,021	4,409	6,466	1,238	2,299
Miscellaneous	743,529	425,274	144,332	557,083	500,126	472,232	612,823	601,292	416,609	490,108
State Sources	32,825,335	30,935,545	27,709,742	26,240,330	25,823,795	25,037,696	23,196,629	22,224,133	20,849,007	19,816,041
Federal Sources	2,990,544	2,438,684	1,703,483	1,421,187	1,217,006	1,228,913	1,337,067	1,412,385	1,391,022	1,382,634
Total Revenues	117,371,585	113,118,150	107,246,997	106,306,961	104,111,816	101,785,174	100,882,243	96,882,953	90,835,259	88,776,398
Expenditures										
Instruction:										
Regular Instruction	26,857,296	26,004,696	28,836,295	27,199,430	41,820,235	41,130,875	35,630,723	33,944,530	33,169,906	33,143,569
Special Education Instruction	11,140,084	10,544,679	6,578,215	7,709,567	10,728,069	10,559,175	15,039,938	14,445,520	13,762,862	13,100,162
Other Instruction	2,427,992	2,421,816	2,173,464	2,345,824	3,160,636	3,495,268	3,399,493	3,708,410	3,482,093	2,933,164
Nonpublic School Programs	-	-	-	186,422	220,140	196,355	211,020	200,447	169,623	157,033
Support Services:										
Tuition	949,095	1,041,234	1,289,722	1,579,523	1,641,104	2,271,409	2,187,105	2,167,769	2,146,011	2,002,297
Attendance & Social Work Services	965,080	777,444	724,849	-	-	-	-	-	-	-
Health Services	968,042	1,030,187	944,148	-	-	-	-	-	-	-
Student & Instruction Related Services	7,705,989	8,218,819	8,079,648	8,944,485	14,058,779	13,154,581	11,643,131	11,211,083	10,877,061	10,357,292
Other Administrative Services	1,733,744	1,798,272	1,702,489	1,582,088	2,088,738	2,024,436	1,872,872	1,907,246	1,961,794	1,915,430
Central Services	670,200	654,012	641,746	-	-	-	-	-	-	-
Administration Information	-	-	-	-	-	-	-	-	-	-
Technology Services	613,759	775,922	1,063,641	-	-	-	-	-	-	-
School Administrative Services	4,375,522	4,225,757	4,177,261	4,145,824	6,377,101	6,280,594	6,094,720	5,942,388	5,635,859	5,534,629
Business Administrative Services	-	-	-	1,335,750	1,903,905	1,906,880	1,685,804	1,715,773	1,487,463	1,366,947
Plant Operations & Maintenance	10,798,198	8,732,051	9,696,852	8,225,778	10,199,365	8,630,659	8,223,459	8,615,602	8,490,966	8,762,802
Pupil Transportation	5,246,822	4,939,741	4,220,563	4,490,046	6,070,587	6,007,250	5,653,980	5,471,156	5,432,651	5,264,514
Unallocated Benefits	38,657,629	36,182,161	32,888,069	16,235,458	-	-	-	-	-	-
On Behalf TPAF Pension and Social Security Contributions	-	-	-	14,209,907	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital Outlay	7,572,744	5,882,875	19,236,715	2,478,550	2,758,209	2,682,832	2,447,888	1,705,224	3,895,259	862,739
Debt Service:										
Principal	-	-	-	3,745,000	3,650,000	3,570,000	4,465,000	4,375,000	4,235,000	4,105,000
Interest & Other Charges	-	-	-	35,933	99,716	151,235	211,250	280,731	400,325	510,673
Total Expenditures	120,682,196	113,229,666	122,253,677	104,449,585	104,776,584	102,061,549	98,766,383	95,690,879	95,146,873	90,016,251
Other Financing Sources/(Uses):										
Capital Leases (Non-budgeted)	733,000	1,506,903	15,250,000	742,155	619,460	605,500	591,300	573,714	-	166,310
Par Amount of Bonds	-	-	-	-	-	-	-	-	-	-
Deposit to Refunding Escrow	-	-	-	-	-	-	-	-	-	-
ESIP Reimbursements	-	-	-	9,892	-	-	-	-	-	-
Payments from Unemployment Reserve	-	-	(10,087)	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	364	-	-	23,740
Transfers Out	-	-	-	-	-	-	-	-	-	(23,740)
Total Other Financing Sources/(Uses)	733,000	1,506,903	15,239,913	752,047	619,460	605,500	591,664	573,714	-	166,310
Net Change in Fund Balances	\$(2,577,611)	\$ 1,395,387	\$ 233,233	\$ 2,609,423	\$ (45,308)	\$ 329,125	\$ 2,707,524	\$ 1,765,788	\$ (4,311,614)	\$ (1,073,543)
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	3.76%	3.71%	3.78%	4.97%	5.11%	5.12%	5.40%

Source: ACFR Schedule B-2

MARLBORO TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 UNAUDITED
 (Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	INTEREST ON CAPITAL RESERVE	INTEREST ON MAINTENANCE RESERVE	TUITION OTHER	RENTALS	CONTRIBUTIONS	STUDENT FEES	MISCELLANEOUS	TOTAL
2023	\$ 261,151	\$ 1,000	\$ 2,000	\$ 110,700	\$ 77,804	\$ 14,000	\$ 87,242	\$ 104,230	\$ 658,127
2022	3,000	-	-	118,549	70,518	-	-	224,047	416,114
2021	-	-	-	42,285	-	-	-	94,906	137,191
2020	84,042	12,951	-	91,375	82,144	62,207	81,185	331,547	745,451
2019	66,007	4,161	-	93,066	120,252	18,414	103,191	214,760	619,851
2018	11,378	643	-	88,000	101,733	88,115	119,364	128,681	537,914
2017	4,056	353	-	606,909	89,619	94,626	123,799	281,679	1,201,041
2016	6,320	146	-	689,506	86,496	91,995	123,949	265,852	1,264,264
2015	1,192	46	-	585,678	82,811	38,498	115,768	144,551	968,544
2014	2,183	116	-	596,323	76,753	61,856	113,114	214,691	1,065,036
Total	\$ 439,329	\$ 19,416	\$ 2,000	\$ 3,022,391	\$ 788,130	\$ 469,711	\$ 867,612	\$ 2,004,944	\$ 7,613,333

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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MARLBORO TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS
 UNAUDITED

FISCAL YEAR ENDED JUNE 30	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE
2023	\$ 64,210,825	\$ 6,969,964,036	\$ 33,722,310	\$ 926,758	\$ 533,479,980	\$ 85,626,694	\$ 53,799,134	\$ 7,741,729,737	\$ -	\$ -	\$ 7,741,729,737	1.135	\$ 9,150,392,151
2022	60,576,250	6,575,437,770	31,813,500	874,300	503,283,000	80,779,900	50,753,900	7,303,518,620	-	-	7,303,518,620	1.106	8,632,445,425
2021	53,888,350	6,566,454,270	31,805,300	905,600	497,299,500	80,779,900	50,753,900	7,281,886,820	-	-	7,281,886,820	1.088	8,223,019,294
2020	73,126,400	6,527,605,100	37,138,400	976,900	465,858,300	80,779,900	13,253,900	7,198,738,900	-	-	7,198,738,900	1.083	8,014,823,105
2019	72,740,400	6,536,377,400	37,138,400	986,900	465,915,800	80,779,900	16,162,900	7,210,101,700	-	-	7,210,101,700	1.082	7,999,685,880
2018	75,738,300	6,514,545,800	37,119,700	993,300	457,853,700	80,779,900	22,287,000	7,189,317,700	-	-	7,189,317,700	1.063	7,647,396,766
2017	62,232,800	6,511,414,300	38,867,800	1,079,700	457,480,800	79,030,300	22,287,000	7,172,392,700	-	-	7,172,392,700	1.045	7,458,811,044
2016	64,533,000	6,503,789,000	38,438,000	1,084,200	454,550,000	79,788,500	22,287,000	7,164,469,700	-	-	7,164,469,700	1.048	7,354,851,699
2015	69,839,100	6,439,597,624	37,757,200	1,094,700	444,223,200	82,478,300	21,756,900	7,096,747,024	-	-	7,096,747,024	1.014	7,224,893,419
2014	77,822,900	6,099,931,774	35,205,200	1,036,800	428,732,400	84,673,900	18,619,900	6,746,022,874	-	-	6,746,022,874	1.002	7,014,355,162

Source: District records tax list summary & municipal tax assessor.

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b. Tax rates are per \$100

**MARLBORO TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	MARLBORO TOWNSHIP BOARD OF EDUCATION				OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	GENERAL OBLIGATION		TOTAL DIRECT	FREEHOLD REGIONAL SCHOOL DISTRICT		MARLBORO TOWNSHIP		MONMOUTH COUNTY	
	BASIC RATE (a)	DEBT SERVICE (b)		SCHOOL DISTRICT	LIBRARY/OTHER				
2023	1.135	-	1.135	0.486	0.418	0.012	0.262	2.313	
2022	1.106	-	1.106	0.480	0.409	0.019	0.251	2.265	
2021	1.088	-	1.088	0.472	0.401	0.010	0.272	2.243	
2020	1.040	0.043	1.083	0.473	0.393	0.022	0.297	2.268	
2019	1.040	0.042	1.082	0.474	0.378	0.010	0.321	2.265	
2018	1.021	0.042	1.063	0.458	0.379	0.010	0.317	2.227	
2017	1.003	0.042	1.045	0.456	0.376	0.019	0.287	2.183	
2016	0.991	0.057	1.048	0.440	0.377	0.019	0.290	2.174	
2015	0.958	0.056	1.014	0.445	0.366	0.021	0.296	2.142	
2014	0.945	0.057	1.002	0.447	0.387	0.024	0.303	2.163	

Source: District Records and Municipal Tax Collector

Note: N.J.S.A. 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.
 b Rates for debt service are based on each year's requirements.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED**

Taxpayer	2023		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Marlboro Plaza Associates	\$ 49,052,117	1	0.634%
Union Hill Nine	32,687,537	2	0.422%
TMC Marlboro	24,075,000	3	0.311%
Amerian Plaza (Costco)	22,392,425	4	0.289%
Marlboro Commons LLC	13,603,017	5	0.176%
Marlboro Lowe's Retail Center	13,377,033	6	0.173%
CRP Royal Pines, LLC	12,981,347	7	0.168%
Brooks Edge Plaza, LLC	12,516,111	8	0.162%
Marlboro Business Park LLC	11,816,866	9	0.153%
Manzo Business Ventures LLC	9,679,220	10	0.125%
Total	\$ 202,180,673		2.612%

Taxpayer	2014		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Marlboro Plaza Associates	\$ 38,840,944	1	0.530%
Union Hill Nine	32,382,046	2	0.440%
TMC Marlboro	27,150,564	3	0.380%
Marlboro Lowe's Retail Center	15,450,858	4	0.220%
CRP Royal Pines, LLC	15,341,922	5	0.220%
Brooks Edge Plaze, LLC	15,251,448	6	0.220%
Dave Marion Corporation	9,759,666	7	0.140%
Marlboro Plaza (Kohls)	9,712,644	8	0.140%
Sunrise Assisted Living	9,486,000	9	0.130%
Samuel Associates	8,978,040	10	0.131%
Total	\$ 182,354,132		2.551%

Source: District ACFR & Municipal Tax Assessor

**MARLBORO 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 OF THE LEVY (a)		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2023	\$ 80,701,477	\$ 80,701,477	100.00%	-
2022	79,200,098	79,200,098	100.00%	-
2021	77,647,155	77,647,155	100.00%	-
2020	77,899,993	77,899,993	100.00%	-
2019	76,407,655	76,407,655	100.00%	-
2018	74,946,312	74,946,312	100.00%	-
2017	75,124,406	75,124,406	100.00%	-
2016	71,949,171	71,949,171	100.00%	-
2015	67,591,705	67,591,705	100.00%	-
2014	66,488,993	66,488,993	100.00%	-

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

a. School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for historical view of the School District's outstanding debt and its debt capacity.

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**MARLBORO TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			PERCENTAGE OF	
	GENERAL OBLIGATION BONDS	FINANCED PURCHASES	TOTAL DISTRICT	PERSONAL INCOME (a)	PER CAPITA (a)
2023	\$ -	\$ 14,942,874	\$ 14,942,874	0.46%	\$ 69,071
2022	-	15,580,432	15,580,432	0.46%	70,945
2021	-	1,421,561	1,421,561	4.92%	70,002
2020	-	1,325,300	1,325,300.00	5.21%	69,073
2019	3,745,000	1,187,570	4,932,570.00	1.38%	68,155
2018	7,395,000	1,051,241	8,446,241.00	0.80%	67,250
2017	10,965,000	803,589	11,768,589.00	0.56%	66,357
2016	15,430,000	563,592	15,993,592.00	0.41%	65,475
2015	19,805,000	320,463	20,125,463.00	0.32%	64,606
2014	24,040,000	593,771	24,633,771.00	0.26%	63,748

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

a See Exhibit NJ J-14 for personal income and population data. These ratios can be calculated using personal income and population for the prior calendar year.

MARLBORO TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUSTANDING				NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE (a) OF PROPERTY PER CAPITA (b)	
	GENERAL OBLIGATION BONDS	FINANCED PURCHASES	DEDUCTIONS				
2023	\$ -	\$ 14,942,874	\$ -		\$ 14,942,874	N/A	69,071
2022	-	15,580,432	-		15,580,432	N/A	70,945
2021	-	1,421,561	-		1,421,561	N/A	70,002
2020	-	1,325,300	-		1,325,300	N/A	69,073
2019	3,745,000	1,187,570	-		4,932,570	0.07%	68,155
2018	7,395,000	1,051,241	-		8,446,241	0.12%	67,250
2017	10,965,000	803,589	-		11,768,589	0.16%	66,357
2016	15,430,000	563,592	-		15,993,592	0.22%	65,475
2015	19,805,000	320,463	-		20,125,463	0.28%	64,606
2014	24,040,000	593,771	-		24,633,771	0.37%	63,748

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.
a See Exhibit J-6 for property tax data.
b Population data can be found in Exhibit J-14.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
YEAR ENDED JUNE 30, 2023
UNAUDITED**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Marlboro Township	\$ 56,175,189	100.00%	\$ 56,175,189
Other Debt:			
Marlboro Township Water Utility	31,654,021	100.00%	31,654,021
Marlboro Township Recreation and Swim Utility	1,253,934	100.00%	1,253,934
Western Monmouth Utility Authority	6,828,683	49.82%	3,401,777
Freehold Regional High School	3,378,651	24.07%	813,268
Monmouth County	557,986,966	6.25%	<u>34,868,606</u>
Subtotal, Overlapping Debt			128,166,794.55
Marlboro Township School District Direct Debt			<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 128,166,794.55</u></u>

Sources: Marlboro Township Finance Office, Monmouth County Finance Office and Utility Authorities

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Marlboro. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

MARLBORO TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 UNAUDITED
 (Dollars in Thousands)

	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 257,933,976	\$ 242,375,283	\$ 242,839,100	\$ 236,619,058	\$ 227,313,937	\$ 217,215,595	\$ 209,420,562	\$ 215,940,803	\$ 212,525,058	\$ 212,938,098
Total Net Debt Applicable to Limit	-	-	-	4,010,338	7,550,484	7,395,000	10,965,000	15,430,000	19,805,000	24,040,000
Legal Debt Margin	\$ 257,933,976	\$ 242,375,283	\$ 242,839,100	\$ 232,608,720	\$ 219,763,453	\$ 209,820,595	\$ 198,455,562	\$ 200,510,803	\$ 192,720,058	\$ 188,898,098
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	1.69%	3.32%	3.40%	5.24%	7.15%	9.32%	11.29%

<u>Legal Debt Margin Calculation</u>	
Equalized Valuation Basis	
2022	\$ 9,555,555,213
2021	8,223,019,294
2020	8,014,823,105
	<u>\$ 25,793,397,612</u>
Average Equalized Valuation of Taxable Property	<u>\$ 8,597,799,204</u>
Debt Limit (3% of Average Equalization Value)	\$ 257,933,976
Net Bonded School Debt	-
Legal Debt Margin	<u>\$ 257,933,976</u>

Source: Equalized valuation bases were obtained from the Monmouth County Board of Taxation

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts.

Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**MARLBORO TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2023	41,478	2,388,123,269	69,071	4.55%
2022	41,547	2,341,297,323	70,945	4.70%
2021	41,502	2,336,624,075	70,002	6.90%
2020	39,640	2,331,960,155	69,073	6.90%
2019	39,874	2,327,305,544	68,155	3.00%
2018	40,306	2,322,660,223	67,250	3.40%
2017	40,330	2,318,024,175	66,357	3.80%
2016	40,684	-	65,475	4.00%
2015	40,671	-	64,606	4.90%
2014	40,709	-	63,748	4.70%

Source: U.S. Department of Commerce, Bureau of Economic Analysis. These numbers are estimated by the Bureau and may be revised from year to year.

a Population information provided by the NJ Dept of Labor and Workforce Development. These numbers are estimated by the Department and may be revised from year to year.

b Personal income has been estimated based upon the county population and per capita personal income presented.

c Per capita personal income by county estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

d Unemployment data provided by the NJ Dept of Labor and Workforce Development.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED**

	2023		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Marlboro Township Board of Education	836	1	N/A
Marlboro Township	283	2	N/A
Shop Rite	276	3	N/A
Kohls	220	4	N/A
Costco	215	5	N/A
Freehold Regional Board of Education	182	6	N/A
First Student	180	7	N/A
Whole Foods	164	8	N/A
Hobby Lobby	102	9	N/A
Whole Foods Market	75	10	N/A
Total	2,533		N/A

	2014		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Marlboro Township Board of Education	847	1	N/A
Marlboro Township	225	2	N/A
Shop Rite	268	3	N/A
Freehold Regional Board of Education	232	4	N/A
Lowe's	161	5	N/A
Pathmark	137	6	N/A
Home Depot	117	7	N/A
Acme	102	8	N/A
Arrow Woven-Label, Inc.	62	9	N/A
Century 21 - Mack Morris Iris	55	10	N/A
Total	2,206		N/A

Source: Township Administration Office

Note: Percentage of total employment not available

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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**MARLBORO TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED**

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	304	304	308	347	348	369	330	325	319	350
Special Education	117	117	112	60	60	66	108	109	101	129
Support Services:										
Student & Instruction Related Services	168	168	165	176	175	178	182	169	167	128
General Administration	9	9	8	8	8	8	8	9	8	8
School Administrative Services	41	41	41	42	42	42	37	37	37	37
Central Services	15	15	16	15	14	14	14	14	14	12
Plant Operations & Maintenance	89	89	88	88	88	88	90	88	88	81
Pupil Transportation	90	90	91	87	87	91	99	91	91	90
Total	833	833	829	823	822	856	868	842	825	835

Source: District Personnel Records

MARLBORO TOWNSHIP SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 UNAUDITED

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO (d)		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEM	MIDDLE				
2023	4,555	\$ 95,444,355	\$ 20,954	2.73%	509	1:23	1:24	4,602	4,343	0.35%	94.37%
2022	4,625	94,338,364	20,397	-0.56%	506	1:23	1:24	4,586	4,502	0.66%	98.17%
2021	4,589	94,134,816	20,513	0.19%	507	1:23	1:24	4,556	4,459	-4.35%	97.87%
2020	4,796	98,190,103	20,473	1.32%	507	1:23	1:24	4,763	4,624	-0.31%	97.08%
2019	4,863	98,268,659	20,207	6.42%	506	1:23	1:24	4,778	4,573	-1.71%	95.71%
2018	4,961	94,200,419	18,988	6.12%	504	1:23	1:24	4,861	4,644	-1.14%	95.54%
2017	5,034	90,074,903	17,893	3.97%	508	1:23	1:24	4,917	4,732	-2.27%	96.24%
2016	5,095	87,686,302	17,210	6.73%	507	1:23	1:24	5,031	4,844	-2.29%	96.28%
2015	5,274	85,042,500	16,125	0.52%	486	1:23	1:24	5,149	4,958	-2.18%	96.29%
2014	5,324	85,400,578	16,041	5.05%	516	1:23	1:24	5,264	5,074	#DIV/0!	96.39%

Sources: District records and Schedules J-4, J-16

Note: Enrollment based on number of students at June 30.

- a Operating expenditures equal total expenditures less debt service, capital outlay, and on-behalf TPAF Pension and reimbursed TPAF social security contributions. J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Pupil/Teacher ratio was obtained from the Comparative Spending Guide

MARLBORO TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	<u>2023</u>	<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>
DISTRICT BUILDINGS										
District Building										
Early Learning Center:										
David. C. Abbott Early Learning Center (Jan. 2002)	39,538	39,538	39,538	39,538	39,538	39,538	39,538	39,538	39,538	39,538
Square Feet	550	550	550	550	550	550	550	550	550	550
Capacity	268	268	218	212	237	248	398	394	379	366
Enrollment										
Elementary Schools:										
Defino Central (1956):										
Square Feet	79,452	79,452	79,452	79,452	79,452	79,452	79,452	79,452	79,452	79,452
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	568	568	525	518	527	502	457	507	546	566
Robertsville (1967):										
Square Feet	70,880	70,880	70,880	70,880	70,880	70,880	70,880	70,880	70,880	70,880
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	451	451	466	456	476	534	577	556	535	490
Marlboro Elementary (1970):										
Square Feet	74,129	74,129	74,129	74,129	74,129	74,129	74,129	74,129	74,129	74,129
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	467	467	486	457	497	512	471	473	517	520
Asher Holmes (1973):										
Square Feet	70,825	70,825	70,825	70,825	70,825	70,825	70,825	70,825	70,825	70,825
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	485	485	469	456	497	572	592	587	620	634
Frank J. Dugan (1988):										
Square Feet	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	678	678	624	623	642	598	546	572	620	642
Middle School:										
Marlboro Middle (1976):										
Square Feet	198,820	198,820	198,820	198,820	198,820	198,820	198,820	198,820	198,820	198,820
Capacity	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,035	1,035	994	995	1,058	1,059	1,031	1,077	1,105	1,142
Memorial Middle School (2003):										
Square Feet	153,275	153,275	153,275	153,275	153,275	153,275	153,275	153,275	153,275	153,275
Capacity	990	990	990	990	990	990	990	990	990	990
Enrollment	815	815	807	800	845	901	925	939	963	1,018

MARLBORO TOWNSHIP SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
 UNAUDITED

<u>DISTRICT BUILDINGS</u>	<u>2023</u>	<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>
Middle School:										
Administration Building	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Square Feet										
Transportation	9,060	9,060	9,060	9,060	9,060	9,060	9,060	9,060	9,060	9,060
Square Feet										
Maintenance Offices	900	900	900	900	900	900	900	900	900	900
Square Feet										

Number of Schools at June 30, 2023:

- Early Learning Center = 1
- Elementary = 5
- Middle School = 2
- Other = 3

Source: District Facilities Office, District Records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

MARLBORO TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

SCHOOL FACILITIES	PROJECT # (s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Defino Central Elementary	N/A	\$ 200,062	\$ 293,651	\$ 84,749	\$ 280,625	\$ 53,151	\$ 28,070	\$ 158,167	\$ 36,931	\$ 78,466	\$ 132,945
Frank Dugan Elementary	N/A	208,996	322,298	139,047	47,559	43,051	64,625	527,859	397,007	79,559	32,424
David C. Abbott Early Learning Center	N/A	99,557	110,538	52,896	76,101	71,417	24,967	33,120	38,664	79,978	31,595
Marlboro Elementary	N/A	186,658	188,844	56,691	96,752	35,738	120,542	32,632	29,061	83,644	116,040
Marlboro Memorial Middle School	N/A	385,949	111,742	111,029	54,374	86,669	153,591	91,475	24,334	107,463	22,484
Marlboro Middle School	N/A	500,632	300,383	130,569	616,552	142,134	139,900	94,582	159,413	284,385	174,036
Robertsville Elementary	N/A	178,477	196,147	99,767	65,162	44,612	90,448	65,240	188,114	275,712	109,340
Asher Holmes Elementary	N/A	178,339	153,606	72,823	186,888	52,944	33,001	31,800	181,916	86,182	233,122
Total School Facilities		1,938,670	1,677,209	747,571	1,424,013	529,716	655,144	1,034,875	1,055,440	1,075,389	851,986
Other Facilities		-	257,468.00	257,468	32,622	31,201	42,380	328,703	53,948	84,605	27,852
Grand Total		\$ 1,938,670	\$ 1,934,677	\$ 1,005,039	\$ 1,456,635	\$ 560,917	\$ 697,524	\$ 1,363,578	\$ 1,109,388	\$ 1,159,994	\$ 879,838

MARLBORO TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

<u>COMPANY</u>	<u>TYPE OF COVERAGE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Utica	Property Blanket Building Contents- Replacement Cost Values	\$ 188,111,309	\$ 5,000
Utica	Flood Earthquake	5,000,000 occ/ 5,000,000 agg.	50,000 25,000
Utica	General Liability -Each Occurrence -General Aggregate -Prod/Completed Oper -Personal Injury -Fire Damage -Medical Expense Limit (Excluding Students) -Employee Benefit Liability -Aggregate	1,000,000 3,000,000 3,000,000 1,000,000 1,000,000 10,000 1,000,000 3,000,000	- - - - - - 1,000 -
Utica	Automotive Coverage -Combined Single Limit -Hired/Non-Owned -Uninsured & Underinsured	1,000,000 1,000,000 1,000,000	- - -
Utica	Inland Marine -Electronic Data Processing Equipment	5,750,000	1,000
Utica	Crime Coverage -Employee Dishonesty with Faithful Performance -Theft, Disappearance & Destruction Inside and Out -Computer Fraud	100,000 25,000 100,000	500 500 500
Utica	Boiler & Machinery Coverage	188,111,309	5,000
Utica	Catastrophe Liability Coverage -Occurrence Limit -Aggregate Limit -Retained Limit	10,000,000 10,000,000 -	10,000 - -
Utica	Board of Education -School Leaders Errors and Omissions Each Loss (Coverage A & B) Aggregate (Shared)	1,000,000 3,000,000	10,000 10,000

**MARLBORO TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED**

<u>COMPANY</u>	<u>TYPE OF COVERAGE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
National Union Fire	Accident-Volunteer Workers	250,000	N/A
Markel Insurance	Student Accident - Voluntary Program -Benefit Period 2 years	500,000	-
Travelers	Fidelity Bond -School Business Administrator/ Board Secretary	10,000	-
New Jersey School Boards Association Insurance Group	Worker's Compensation -Covered Payrolls - Professional -Covered Payrolls - Non-Professional Each Employee Aggregate	49,201,012 5,216,767 2,000,000 2,000,000	N/A N/A - -

Source: District Records

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SINGLE AUDIT SECTION

Fourth Section

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Certified Public Accountants + Advisors

1985 Cedar Bridge Ave., Suite 3 • Lakewood, NJ 08701 • 732.797.1333

194 East Bergen Place • Red Bank, NJ 07701 • 732.747.0010

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EXHIBIT K-1

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*

Honorable President and Members
of the Board of Education
Marlboro Township School District
County of Monmouth
Marlboro, 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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Marlboro Township School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 14, 2023.

Report On Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies 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 or significant deficiencies may exist that have not been identified.

Report On Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
December 14, 2023



Certified Public Accountants + Advisors

1985 Cedar Bridge Ave., Suite 3 • Lakewood, NJ 08701 • 732.797.1333

194 East Bergen Place • Red Bank, NJ 07701 • 732.747.0010

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EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Marlboro Township School District
County of Monmouth
Marlboro, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Marlboro Township School District's compliance with 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 School District's major federal and state programs for the fiscal year ended June 30, 2023. The Marlboro Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Marlboro Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and 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; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 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 Marlboro Township School District 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 federal and state program. Our audit does not provide a legal determination of the School District'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 of grant agreements applicable to the Marlboro Township School District's federal and 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 Marlboro Township School District'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*, the Uniform Guidance, New Jersey OMB's Circular 15-08 and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey 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 compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB's Circular 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 School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District'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 Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the School District'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 federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *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 federal or 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 Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
December 14, 2023

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MARLBORO TOWNSHIP'S SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FEDERAL CFDA NUMBER	FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CARRYOVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	BALANCE JUNE 30, 2023	
													UN-EARNED REVENUE	(ACCOUNTS RECEIVABLE)
93.778	Medical Assistance Program (SEMI)	2008NSMAP	100-034-7540-211	\$ 25,481	7/1/22-6/30/23	\$ -	\$ -	\$ 25,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93.778	Medical Assistance Program (SEMI)	2008NSMAP	100-034-7540-211	1,824	7/1/22-6/30/23	(3,577)	-	1,824	(1,824)	-	-	-	-	-
93.778	Medical Assistance Program (SEMI)	2008NSMAP	100-034-7540-211	15,737	7/1/21-6/30/22	(3,577)	-	3,577	(8,571)	-	-	-	-	-
	Total U.S. Department of Health and Human Services					(3,577)	-	30,882	(708,063)	-	-	-	-	-
	Total U.S. Department of Agriculture					(181,588)	-	894,575	(708,063)	-	-	-	22,168	(17,244)
	Total U.S. Department of Education													
84.425D	CARES - ESSER I	842SD20027	100-034-5120-513	129,897	3/13/20-10/15/22	336	-	-	-	-	-	(326)	-	-
84.425D	CARES - ESSER I	842SD20027	100-034-5120-518	482,998	3/13/20-9/30/23	(190,159)	-	316,190	(332,349)	-	-	-	(16,169)	-
84.425D	CRSA - ESSER II	842SD20027	100-034-5120-518	30,997	3/13/20-9/30/23	-	-	29,922	(13,415)	-	-	(46)	-	-
84.425D	CRSA - Mental Health Grant	842SD20027	100-034-5120-518	45,000	3/13/20-9/30/23	-	-	928,404	(465,993)	-	-	439,304	-	(11,849)
84.425U	ARP - Accelerated Learning Coach	842SU20027	Unavailable	381,839	3/13/20-9/30/24	8,571	-	377,317	(400)	-	-	-	-	(38,408)
84.425U	ARP - Summer Learning	842SU20027	Unavailable	40,000	3/13/20-9/30/24	-	-	24,720	(400)	-	-	-	-	-
84.425U	ARP - Mental Health Support	842SU20027	Unavailable	45,000	3/13/20-9/30/24	(1,148,322)	-	1,483,126	(1,000,384)	-	-	654,809	-	(53,071)
84.010A	Elementary and Secondary Education Act (E.S.E.A) Title I - Part A	8010A20030	100-034-5064-194	143,220	7/1/22-9/30/23	(100,230)	-	26,204	(137,102)	-	-	-	-	(110,898)
84.010A	Elementary and Secondary Education Act (E.S.E.A) Title I - Part A	8010A20030	100-034-5064-194	130,708	7/1/21-9/30/22	(100,230)	-	99,798	(137,102)	-	-	432	-	(110,898)
84.367A	Title II - Part A, Supporting Effective Instruction	5367A20029	100-034-5065-290	75,178	7/1/22-9/30/23	(24,526)	-	29,407	(70,713)	-	-	-	-	(41,306)
84.367A	Title II - Part A, Supporting Effective Instruction	5367A20029	100-034-5065-290	63,106	7/1/21-9/30/22	(24,526)	-	33,938	(70,713)	-	-	-	-	(41,306)
84.365A	Title III - English Language Acquisition	5365A20030	100-034-5064-187	23,124	7/1/22-9/30/23	(25,291)	-	793	(22,860)	-	-	9,420	-	(22,067)
84.365A	Title III - English Language Acquisition	5365A20030	100-034-5064-187	19,977	7/1/21-9/30/22	(25,291)	-	15,871	(22,860)	-	-	16,664	-	(22,067)
84.424	Title IV - Student Support & Academic Enrichment	5424A20031	100-034-5064-187	10,847	7/1/22-9/30/23	-	-	7,606	(10,572)	-	-	-	-	(2,966)
84.424	Title IV - Student Support & Academic Enrichment	5424A20031	100-034-5064-187	10,756	7/1/21-9/30/22	(223)	-	223	(10,572)	-	-	-	-	(2,966)
84.027A	Special Education Cluster: I.D.E.A. Part B	H027A20100	100-034-5065-016	1,264,606	7/1/22-9/30/23	-	-	806,711	(1,233,980)	-	-	-	-	(727,269)
84.027A	Special Education Cluster: I.D.E.A. Part B	H027A20100	100-034-5065-016	992,205	7/1/21-9/30/22	(119,214)	-	132,112	(1,233,980)	-	-	(12,898)	-	(443)
84.027X	Special Education Cluster: I.D.E.A. Part B	H027X210100	100-034-5065-016	207,783	7/1/21-9/30/22	(67,772)	-	84,264	(16,935)	-	-	-	-	(327,713)
84.173A	I.D.E.A. Preschool	H173A220114	100-034-5065-020	83,248	7/1/22-9/30/23	(44,197)	-	10,951	(39,108)	-	-	-	-	(28,157)
84.173A	I.D.E.A. Preschool	H173A210114	100-034-5065-020	67,325	7/1/21-9/30/22	(3,616)	-	39,714	(4,483)	-	-	4,483	-	-
84.173X	I.D.E.A. Preschool	H173X210114	100-034-5065-020	17,756	7/1/21-6/30/22	(47,813)	-	5,646	(2,031)	-	-	4,884	-	(28,157)
	Total Special Education Cluster					(234,799)	-	779,398	(1,292,054)	-	-	(8,414)	-	(755,869)
	Total U.S. Department of Education					(1,530,391)	-	2,421,952	(2,533,685)	-	-	655,947	-	(986,177)
21.019	Passed Through New Jersey Department of Treasury: Bridging the Digital Divide	SLT0007	100-034-5120-516	9,528	3/13/20-9/30/23	110	-	-	-	-	-	-	110	-
	Total U.S. Department of Treasury					110	-	-	-	-	-	-	110	-
	Total Expenditures of Federal Awards					\$ (1,715,446)	\$ -	\$ 3,347,409	\$ (3,269,053)	\$ -	\$ -	\$ 655,947	\$ 22,278	\$ (1,003,421)

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

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MARLBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEARENDED JUNE 30, 2023

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS BALANCES	ADJUSTMENT	BALANCE, JUNE 30, 2023		MEMO		
											UNEARNED REVENUE	(ACCOUNTS RECEIVABLE)	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
New Jersey Department of Education:															
General Fund:															
State Aid Public:															
Special Education:															
Security Aid	495-034-5120-089	\$ 3,375,643	7/1/22-6/30/23	-	\$ -	\$ 3,375,643	(\$ 3,375,643)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 336,120	\$ 3,375,643
Equalization Aid	495-034-5120-084	349,448	7/1/22-6/30/23	-	-	349,448	(349,448)	-	-	-	-	-	-	34,795	349,448
Stabilization Aid	495-034-5120-078	2,799,058	7/1/22-6/30/23	-	-	2,799,058	(2,799,058)	-	-	-	-	-	-	278,708	2,799,058
Supplemental Stabilization Aid	495-034-5120-128	2,143,646	7/1/22-6/30/23	-	-	2,143,646	(2,143,646)	-	-	-	-	-	-	2,143,646	2,143,646
Total State Aid Public:		141,479	7/1/22-6/30/23	-	-	8,809,274	(8,809,274)	-	-	-	-	-	-	649,623	8,809,274
Transportation Aid	495-034-5120-014	1,189,069	7/1/22-6/30/23	-	-	1,189,069	(1,189,069)	-	-	-	-	-	-	118,398	1,189,069
Extracurricular Aid	495-034-5120-044	250,365	7/1/22-6/30/23	-	-	335,973	(250,365)	-	-	-	-	-	-	250,365	250,365
Additional Non-Public Transportation Aid	495-034-5120-044	68,640	7/1/22-6/30/23	(335,973)	-	-	(68,640)	-	-	-	-	-	-	68,640	68,640
Securing Our Children's Future Bond Act (Alyssa's Law)	495-034-5120-014	66,897	7/1/22-6/30/23	(66,897)	-	-	(105,085)	-	-	-	-	-	-	105,085	105,085
Reimbursed TPAF Social Security Contributions	495-034-5120-004	13,927	7/1/22-6/30/23	(130,844)	-	255,929	(13,927)	-	-	-	-	-	-	13,927	13,927
Reimbursed TPAF Social Security Contributions	495-034-5094-003	3,105,563	7/1/22-6/30/23	-	-	2,495,147	(3,110,563)	-	-	-	-	-	-	(152,416)	3,110,563
TPAF - Post Retirement	495-034-5094-003	3,068,708	7/1/21-6/30/22	(151,030)	-	151,030	-	-	-	-	-	-	-	-	3,068,708
Medical (Noncash Assistance)	495-034-5094-001	3,903,130	7/1/22-6/30/23	-	-	3,903,130	(3,903,130)	-	-	-	-	-	-	-	3,903,130
TPAF - Pension	495-034-5094-002	14,857,881	7/1/22-6/30/23	-	-	14,857,881	(14,857,881)	-	-	-	-	-	-	-	14,857,881
TPAF - Long-Term Disability	495-034-5094-004	5,472	7/1/22-6/30/23	-	-	5,472	(5,472)	-	-	-	-	-	-	-	5,472
Total General Fund		(704,834)				32,546,819	(32,313,406)					(471,421)		768,021	32,313,406
Special Revenue Fund:															
Non-Public Aid:															
Textbooks	100-034-5120-064	18,348	7/1/22-6/30/23	-	-	18,348	(14,088)	-	-	-	-	-	-	4,260	14,088
Nursing Services	100-034-5120-070	32,368	7/1/22-6/30/23	779	-	32,368	(32,368)	-	(779)	-	-	-	-	-	32,368
Technology Aid	100-034-5120-373	11,676	7/1/22-6/30/23	5,094	-	11,676	(9,894)	-	(5,094)	-	-	-	-	1,782	9,894
Security Aid	100-034-5120-573	59,245	7/1/22-6/30/23	716	-	59,245	(52,276)	-	(716)	-	-	-	-	6,969	52,276
Auxiliary Services Aid (Chapter 192):															
Compensatory Education	100-034-5120-067	38,642	7/1/22-6/30/23	4,511	-	38,642	(38,643)	1	(4,511)	-	-	-	-	-	38,643
English as a Second Language	100-034-5120-067	5,355	7/1/22-6/30/23	5,355	-	5,011	(5,011)	-	(5,355)	-	-	-	-	-	5,011
Handicapped Services (Chapter 193):															
Examination and Classification	100-034-5120-066	42,088	7/1/22-6/30/23	-	-	42,088	(30,719)	-	-	-	-	-	-	11,369	30,719
Corrective Speech	100-034-5120-066	12,369	7/1/22-6/30/23	946	-	12,369	(12,369)	-	(946)	-	-	-	-	-	12,369
Supplementary Instruction	100-034-5120-066	11,600	7/1/22-6/30/23	950	-	11,600	(25,936)	-	(950)	-	-	-	-	-	25,936
SDA Emergent Needs and Capital Maintenance	100-034-5120-519	109,576	7/1/22-6/30/23	-	-	104,249	(109,576)	-	-	-	-	-	-	104,249	109,576
Total Special Revenue Fund		19,331				359,454	(330,880)		(19,331)			33,902		-	330,880
New Jersey Department of Agriculture:															
Enterprise Fund:															
National School Lunch Program	100-010-3330-023	19,253	7/1/22-6/30/23	-	-	18,303	(19,253)	-	-	-	-	-	-	-	19,253
National School Lunch Program	100-010-3330-023	44,966	7/1/21-6/30/22	(3,673)	-	3,673	-	-	-	-	-	-	-	-	-
Total Enterprise Fund		(3,673)				21,976	(19,253)					(950)			19,253
Total State Financial Assistance		(689,176)				32,928,249	(32,663,539)		(19,331)			33,902		768,021	32,663,539
Total State Financial Assistance Subject to Calculation for Major Program Determination															
TPAF - Post Retirement	495-034-5094-001	\$ 3,903,130	7/1/22-6/30/23			\$ -	\$ 3,903,130								
TPAF - Pension (Noncash Assistance)	495-034-5094-002	14,857,881	7/1/22-6/30/23				14,857,881								
TPAF - Long-Term Disability (Noncash Assistance)	495-034-5094-004	5,472	7/1/22-6/30/23				5,472								
Total State Financial Assistance Subject to Calculation for Major Program Determination															
		\$ (13,897,056)					\$ (13,897,056)								

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

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MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Marlboro Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. 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. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

MARLBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023 (Continued)

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 *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the 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 state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$82,041 for the general fund and \$509,250 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 27,305	\$ 32,395,447	\$ 32,422,752
Special Revenue Fund	2,963,239	429,888	3,393,127
Food Service Fund	708,063	19,253	727,316
Total Awards & Financial Assistance	<u>\$ 3,698,607</u>	<u>\$ 32,844,588</u>	<u>\$ 36,543,195</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. Federal and State Loans Outstanding

The Marlboro Township School District had no loan balances outstanding at June 30, 2023.

MARLBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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 deficiency(ies) identified? yes X none reported
Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:
1) Material weakness(es) identified? yes X no
2) Significant deficiency(ies) identified? yes X none reported
Type of auditor's report issued on compliance for major programs Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? yes X no

Identification of major programs:

Table with 3 columns: Assistance Listing Number(s), FAIN Number(s), Name of Federal Program or Cluster. Row 1: 84.425D/84.425U, S425D210027, Education Stabilization Fund.

Dollar threshold used to determine Type A programs \$ 750,000

Auditee qualified as low-risk auditee? X yes no

**MARLBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Dollar threshold used to determine Type A programs	\$	750,000
Auditee qualified as low-risk auditee?	<u> X </u> yes	<u> </u> no
Internal control over major programs:		
1) Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
2) Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Type of auditor's report issued on compliance for major programs		Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB Circular 15-08?	<u> </u> yes	<u> X </u> no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-089	State Aid Public Cluster:
495-034-5120-084	Special Education Categorical Aid
495-034-5120-078	Security Aid
495-034-5120-128	Equalization Aid
	Stabilization Aid

**MARLBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section III - Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**MARLBORO TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2023**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with Government Auditing Standards, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.