

**MARLBORO TOWNSHIP SCHOOL DISTRICT**

Marlboro, New Jersey  
County of Monmouth

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2021**



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

**YEAR ENDED JUNE 30, 2021**

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



## TABLE OF CONTENTS

	PAGE
<b>INTRODUCTORY SECTION</b> (First Section)	
Letter of Transmittal	1
Organizational Chart	17
Roster of Officials	18
Consultants and Advisors	19
Certificate of Excellence	21
<b>FINANCIAL SECTION</b> (Second Section)	
Independent Auditor's Report	25
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART I</b>	
Management's Discussion and Analysis	31
<b>BASIC FINANCIAL STATEMENTS</b>	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	43
A-2 Statement of Activities	44
B. Fund Financial Statements:	
B-1 Balance Sheet	49
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	50
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	51
Proprietary Funds:	
B-4 Statement of Net Position	55
B-5 Statement of Revenues, Expenditures and Changes in Fund Net Position	56
B-6 Statement of Cash Flows	57
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to Financial Statements	63
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART II</b>	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	103
C-2 Budgetary Comparison Schedule – Special Revenue Fund	115
Notes to the Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	119

## TABLE OF CONTENTS

	PAGE
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART III</b>	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	125
L-2 Schedule of the School District Contributions - PERS	126
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	127
M. Schedules Related to Accounting and Reporting for Other Post Employment Benefits (GASB 75)	
M-1 Schedule of the District's Proportionate Share of the Total OPEB Obligation - OPEB	131
Notes to the Required Supplementary Information - Part III	135
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
D. School Based Budget Schedules Fund (if applicable):	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues & Expenditures - Special Revenue Fund – Budgetary Basis	143
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	149
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	N/A
G-2 Combining Schedule of Revenues, Expenses & Changes in in Fund Net Position	N/A
G-3 Combining Schedule of Cash Flows	N/A
Internal Service Fund –	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds Payable	N/A
I-2 Schedule of Obligations Under Capital Leases	155
I-3 Debt Service Fund - Budgetary Comparison Schedule	156
I-4 Schedule of Early Retirement Incentive Plan Loans Payable	N/A

## TABLE OF CONTENTS

	PAGE
<b>STATISTICAL SECTION (Unaudited)</b> (Third Section)	
Financial Trends:	
J-1 Net Position by Component	161
J-2 Changes in Net Position	162
J-3 Fund Balances – Governmental Funds	164
J-4 Changes in Fund Balances – Governmental Funds	165
J-5 General Fund - Other Local Revenue by Source	166
Revenue Capacity:	
J-6 Assessed Value & Actual Value of Taxable Property	169
J-7 Direct and Overlapping Property Tax Rates	170
J-8 Principal Property Taxpayers	171
J-9 Property Tax Levies and Collections	172
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	175
J-11 Ratios of Net General Bonded Debt Outstanding	176
J-12 Ratios of Overlapping Governmental Activities Debt	177
J-13 Legal Debt Margin Information	178
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	181
J-15 Principal Employers	182
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	185
J-17 Operating Statistics	186
J-18 School Building Information	187
J-19 Schedule of Required Maintenance	189
J-20 Insurance Schedule	190

## SINGLE AUDIT SECTION (Fourth Section)

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	195
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with Uniform Guidance and New Jersey OMB Circular Letter 15-08	197
K-3 Schedule of Expenditures of Federal Awards, Schedule A	199
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	201
K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	203
K-6 Schedule of Findings and Questioned Cost - Parts I, II & III	205
K-7 Summary Schedule of Prior Year Audit Findings	209

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**INTRODUCTORY SECTION**

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# Marlboro Township Public Schools

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February 7, 2022

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 Comprehensive Annual Financial Report (CAFR) of the Marlboro Township School District for the fiscal year ended June 30, 2021. This CAFR 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 Comprehensive Annual 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, a director of human resources, a director of curriculum and instruction, four district-wide curriculum supervisors, a director of special services, and a supervisor 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, comprised 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 insure a consistent flow of information to our stakeholders. During the budget review process, information about the budget is e-mailed as a special newsletter to all parents as well as to residents who have signed up to receive it and is 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 e-mail 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 insuring that our communication efforts are timely, accurate, and effective.

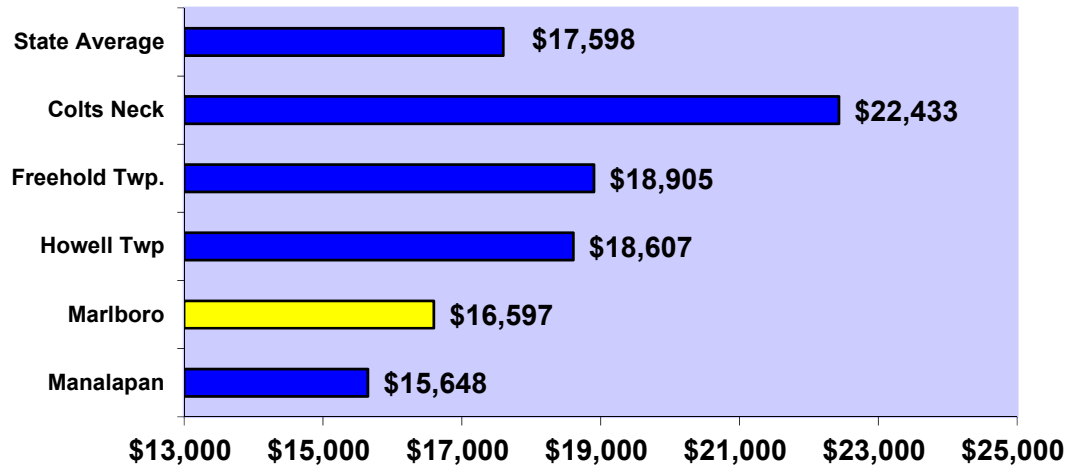
## **EDUCATIONAL PROGRAM**

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 2020, 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 \$16,597

per pupil while the average cost for similar districts is \$17,598. According to the report, per pupil costs range from a low of \$8,786 to a high of \$26,546 for districts of this type. Of the 74 other K-8 schools districts in the state with enrollments exceeding 751 children, Marlboro ranks 29<sup>th</sup> lowest in total cost per pupil.

**2020 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 218 students. There is one administrator and a staff of 75 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 469 students. There are two administrators and staff of 68 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 525 students. There are two administrators and a staff of 87 teachers, instructional assistants and school aides. The school is located on Rt. 79 in Marlboro.

Frank Dugan Elementary - a grade K-5 school of 624 students. There are two administrators and a staff of 86 teachers, instructional assistants and school aides. The school is located on Topanemus Road in Marlboro.

Marlboro Elementary - a grade K-5 school of 486 students. There are two administrators and a staff of 68 teachers, instructional assistants and school aides. The school is located on School Road West in Marlboro.

Robertsville Elementary - a grade 1-5 school of 466 students. There are two administrators and a staff of 72 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 994 students. There are three administrators and a staff of 144 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 807 students. There are three administrators and a staff of 103 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 non-profit 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 understanding and problem-solving attitudes 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 spiraled into grades 6-8.

### ***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 foundation into a deeper exploration into the Spanish language in middle school.

### ***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, Activboards have been installed in every classroom throughout the district. The interactivity available with Activboards has provided district students with opportunities for active learning. The district continues to add to its inventory of large screen monitors with scan converters and LCD projectors. 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. 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. 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 2020-2021 fiscal year with an enrollment of 4,612 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 pupil enrollment, as of October 15, for the school years 2016-17 through 2020-21.

<u>School Year</u>	<u>Enrollment as of October 15</u>	<u>% Change</u>
2016-17	4,914	-3.25%
2017-18	4,862	-1.06%
2018-19	4,779	-1.71%
2019-20	4,739	- .08%
2020-21	4,543	- 4.14%

Marlboro Township completed a reassessment of all of its properties in 2010 as required by state law, however over the next few years (2011 – 2014) the ratables decreased due to the volume of tax appeals filed by property owners. The ratable base has increased significantly in the 2015 due to the addition of major retail businesses including Whole Foods, Lowe’s, Ethan Allen and development of the Route 9 corridor.

The eight (8) schools in the district vary in age, with original construction dates ranging from 1956 through 2003. The district had proposed a bond referendum in prior years, which was 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 referendum. This project is still ongoing due to COVID delays during the 2020-21 school year. This included replacement of HVAC systems; replacement of hot water heater; replacement of boiler, pump and expansion tank; main distribution panel, panel boards, and feeder replacement; fire alarm replacement; and ATC head end.

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, adapting to the varied demands of the COVID pandemic, and maintaining rigor in the instructional programs were the cornerstones of the 2020 - 2021 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 2020-2021 school year, class sections changed slightly within the building per grade level, with the addition of a combined grade level special education resource room in grades 1 and 2, an additional section in grade 2, the loss of 3 sections in grades 3, and the gain of 2 sections in grade 4. All initiated purchase requests were for materials that were deemed essential. These included core instructional materials/supplies, classroom furniture, a cafeteria table, 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 2020-2021 school year, allocations reflected a continued commitment to supporting ELA and Math instruction and the new programs purchased through curriculum. Additionally, purchases of online educational resources for grade 5 in reading and writing were also made to support a new and different approach to learning. Purchases of district-approved, classroom furniture such as bookcases, file cabinets, and easels were made, as well as new rugs and small group instruction tables within classrooms which were lacking. We continued to purchase new desks and chairs and anticipate replacing these pieces for the entire building during the 2021-2022 budget. Monies were also allocated and spent within the media center for continued enhancement of the fiction and non-fiction selections for students, both hard copy and online versions, and in the special areas of art, music, PE, and health. Art monies were reallocated to properly support in-person and online learning since our goal was to avoid sharing materials. Doing so provided monetary support for these programs within the school budget so that these programs could operate properly during the unique 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.

The 2020-2021 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 20-21 school year continued to bring unique challenges to Defino Central and Marlboro Township Public Schools. This year, we had a mix of virtual and in-school learning due to the COVID-19 pandemic. While this created some very difficult circumstances, our staff was well equipped to navigate the remote learning world due to their experience and training in a multitude of online tools (Google Suite, Zoom, IXL, ST Math, Achieve 3000). Due to the technology tools and support provided by the district our teachers were able to continue supporting students and moving them forward during this unprecedented time.

Defino is lucky to have cutting edge technology and instructional resources to support student growth. We have ActivBoards in all classrooms, Chromebooks for students in 1st through 5<sup>th</sup> grade and common core aligned instructional resources to help our students reach their full potential. Our one-to-one initiative proved extremely valuable during remote learning as many Defino families requested devices for home use and we were able to provide a device for every family in need.

In terms of building cosmetics and furniture, we continued our effort to replace old desks, chairs and tables. We completed replacing new desks in 3<sup>rd</sup> and 4<sup>th</sup> grade and have begun to replace desks in 2<sup>nd</sup> grade as well. The main hallway of Defino has a half wall that is tiled and runs the length of the school. This tile, over many years, faded to a dull green color. In the 2020-21 school year, the wall was painted a bright white which significantly brightens the hallway and makes the school look brand new.

While some of our normal practices had to be modified due to COVID, we were able to recognize and celebrate our kindergarten students and our 5<sup>th</sup> grade students in-person. We had both celebrations outside so that parents could be a part of these important milestones. Our 5<sup>th</sup> grade celebration included an outdoor stage which added a special element to honor our departing 5<sup>th</sup> grade students.

Finally, our morning news program, DDN, continued while we were remote and in-person. I hosted the morning news each day and provided families with updates and information to get their day started while we were remote. The news also included guest meteorologists as many different students at Defino recorded the weather report that was shared on the broadcast. While we were in-person, we returned to our news program being led by our incredible 5<sup>th</sup> grade students.

The staff of Defino Central continued to respond to this crisis in the absolute best way possible. We worked together to ensure that our students and families had the support they needed to continue to learn and grow.

### ***Frank Dugan Elementary School***

Despite the challenges at the end of the 2019-2020 and throughout the 2020-2021 academic school years, 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, I was able to make some adjustments in continuing to advocate for high-quality educational opportunities for all of our students while navigating the COVID-19 pandemic.

The 2020-2021 school year budget celebrates the following accomplishments:

- Completed the replacement of classroom student furniture that was over 20 years old. This marks the end of a three-year budgeting plan that saw the purchase of over 400 desks and chairs for our classrooms
- Replacement of small-group instruction tables and classroom carpets that are utilized to meet our district initiative in personalizing learning to meet the individual needs of all learners
- Replacement of equipment and furniture – some of which was over 20 years old - for the Office of the Principal which increases that ability to collaborate and leadership's efficiency and effectiveness
- Continued replacement and upgrades of two-way radios that are paramount to our school's safety and security
- Purchase of a laser poster printer which allows for the school to make personalized clings that adorn the hallways and visitor areas of the school
- More of a systematic approach to the budgets for our related arts programs to ensure materials and resources are audited in the areas of Media Literacy, Physical Education, Art, and Music
- Supporting online programs no longer being purchased by our Curriculum & Instruction Department which are valued by our instructional staff such as: IXL, Brain POP, and Brain POP, Jr.
- Continued infusion of Flexible Seating options for students as a result of a growing committee of teachers who were interested in exploring these options for their own classrooms.

### ***David C. Abbott Early Learning Center***

During the 2020-2021 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 grow, funds were used to insure that all classrooms were properly furnished and equipped. Everything from age-appropriate furniture to classroom supplies were 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 consult with a physical or occupational therapist.

In anticipation of remote instruction, a variety of online tools were purchased to assist teachers and students. Teachers were able to use Seesaw to effectively communicate with students and parents. This allowed us to continue instruction uninterrupted as we transitioned between remote and in-person instruction.

Online tools purchased, such as Raz Kids, ESGI, and SmartyAnts 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.

Programs such as IXL and ST Math allowed us to carefully monitor student progress and personalize instruction. Additionally, each of these programs provided parents with accessible tools to support learning at home.

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 2020-2021 school year focused on two main objectives: 1) Effective use of district digital tools allowing teachers to meet the district core principles including: data to drive instruction, use of online programs, small group instruction and student set learning goals. 2) Social-emotional character development (SECD) which involved weaving the six district pillars of character into the fabric of the school.

The use of digital tools is a necessary part of the differentiation process. As MTPS believes each child is unique, this means that we must address learning styles, modalities, and learning opportunities with a 21st Century mindset. This involves the use of digital tools to personalize learning for our students. It is essential to use online programs to drive instruction; it is also essential that our administrative leaders understand each program, monitor usage, and ensure effective implementation. A goal this year was to ensure that proper professional development is deployed in schools for our flagship programs. The monitoring of usage of our flagship programs Achieve 3000, ST Math, IXL & Study Island as well as monitoring performance of our flagship programs. A system of student recognition was developed that allowed students to make informed data driven decisions about their own learning, thus empowering learners to be independent and take ownership of their educational goals and objectives. This proved to be invaluable as these were parlayed into the remote instruction that was required due to the COVID19 pandemic. Marlboro elementary was able to provide a meaningful experience using these tools both in person and remotely.

School culture and climate provides an atmosphere that encourages and facilitates student learning through students feeling comfortable to take academic risks. A systematic process is required to expose students to the character education initiatives both at the school level and the district level. The Marlboro Township Public Schools have engaged in conversations facilitated by Rutgers SECD regarding character education throughout the district. Marlboro Elementary School has had a character initiative in place centered around the theme of KIND (Kids Involved in Nice Deeds). A goal for this year was to ensure that the two initiatives were aligned and a clear message/process developed to further develop this initiative that started during the prior school year. By the end of the 20-21 school year, robust assemblies (MarEl Monthly Mustang Meetups) were held virtually to celebrate the pillars character of the month that are also aligned to the KIND kids initiative. The assemblies were student led and celebrated artifacts of student work towards each pillar. Student agency was developed through the student council in taking a leadership role in this realm. Modification of this system was invaluable as we transitioned in and out of remote learning environments during the COVID19 pandemic. Students were able to use district technology to continue assemblies by recording and then disseminating our Mustang Meetups to the school community. This would not have been possible had the ground work not been laid through the development of this comprehensive social-emotional character development program.

In summation, monies provided to support the above goals were carefully considered prior to appropriations and purchases. A balance was struck maintaining and improving our strong instructional programming while maintaining a high degree of fiscal responsibility and accountability.

### ***Marlboro Middle School***

Faced with the pandemic, the 2020-21 school year posed a multitude of challenges for the staff, students and community in general. To the credit of all constituents, students continued to show academic achievement and personal growth. Using district provided technology, online programs, Chromebooks, additional monitors and resources, students met the learning goals and expectations. Teachers and students adjusted to remote and hybrid learning environments. Teachers focused on data driven instruction, differentiated instruction and providing small group instruction to support the instructional needs of all students.

Promoting a positive school culture and climate continued to be a school-wide focus. Grade level virtual assemblies addressed the expectations of tolerance for others. School-wide virtual programs focused on school as a learning community; particularly during the Week of Respect and NJ School Violence Awareness Week. The mental health professional staff, counselors, psychologist, and CST, focused on the well-being of students, specifically the social, emotional and academic growth. They developed positive relationships with disaffected students to encourage their participation in the school program.

We initiated a remote club program that proved to be popular with the students; thus encouraging students to pursue their interests and engage socially with peers. New clubs included the culinary club, fitness club, digital media and digital art clubs. In the spring, we encouraged students to participate in spring sports. Athletic and Intramural programs proved to be successful and appreciated by all.

MMS was faced with many challenges that impacted the school year, however, we are happy to report that education continued with daily success and overall growth for all 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 2020-2021 school year. MMMS students excelled in Exploravision science competitions, essay writing competitions, athletic events, and community service.

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

The 2020-2021 building goals centered on peer observation, continuation of the integration of instructional coaches, 21st Century Skills, Personalized Learning and virtual instruction. 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 both in-person and remotely. 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***

The 2020-2021 school year presented unanticipated challenges. Our budget was developed to meet the academic and social-emotional challenges of learning during this unprecedented year. The Robertsville faculty worked collaboratively to provide a positive in-person and virtual school culture based on reflection, inquiry, and professional learning. During the 2020-21 school year, the Robertsville budget was aligned to the district vision, and we remained resolute in maintaining the district's high academic standards.

The school budget effectively provided the faculty with resources to accomplish these challenging goals- instructional materials purchased supported the existing Language Arts program. In addition, the staff participated in virtual workshops related to digital district programs, which ultimately drove instruction.

A significant budget item was the continued funding of our online programs. Online programs provided differentiated instruction for all learners and were an invaluable asset for successful student learning.

Daily building operational costs required the most significant expenditure in the 20-21 school budget. Funds allocated for copier supplies and leasing, laminating film, printer ink, poster making, video news, maintenance contracts, health office supplies, and classroom supplies were required for the efficient and safe operation of the building.

## **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 teacher 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.
- Our self-contained programs have continued to progress. More specifically the Multiply Disabled (MD) and Autism (AUT) programs provide both academic and functional based instruction in order to promote independence. All self-contained programs have a social skills component. This past year we were able to bring in community-based instruction such as Texas Roadhouse to learn about various jobs within the community and work on functional based cooking skills.
- Our 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. The department created social stories for our students on hygiene, mask wearing, and the new process and procedures for entering the building. Our child study team provided in person and virtual: 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 both in person and online related services. Our behaviorists and child study members provided professional development to staff and families on necessary training and support through the pandemic.
- The special services department continued its use of research-based programs for all content areas. These programs were helpful during remote learning such as Learning Ally, and Edmentum. This past year, our Dyslexia Specialist worked with teachers, Wilson instructors, and child study members, to create a plan for students who were identified as needing intensive instruction. Programs such as Wilson, Foundations, or Just Words were options for specialized reading instruction.
- Our child study team continues to use multiple measures to evaluate students. The child study team uses a variety of diagnostic measures to evaluate and reevaluate students in order to collect data to place students in the appropriate environment.

### ***Business:***

Due to constant changes in the state fiscal environment, the business office continued to evolve during the 2020-21 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 third 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.
- 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 continued during the 20-21 school year due to COVID related delays.
- For the 19th 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 Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2020. 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 2020-21 school year, the district continued to participate in an electricity cooperative and the collective purchasing of gasoline and diesel.
- During the 2020-21 school year, the district was able to complete both Defino Central and Dugan Elementary roof replacements.
- 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.
- In 2020-21 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 881 individuals during the 20-21 school year. The certificated staff numbered 534; 27 administrators and supervisors and 507 classroom teachers and educational support personnel (nurses, guidance counselors, child study team members, etc.). In addition, 347 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.

**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 Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. This was the 19th 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 CAFR.

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 CAFR 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,

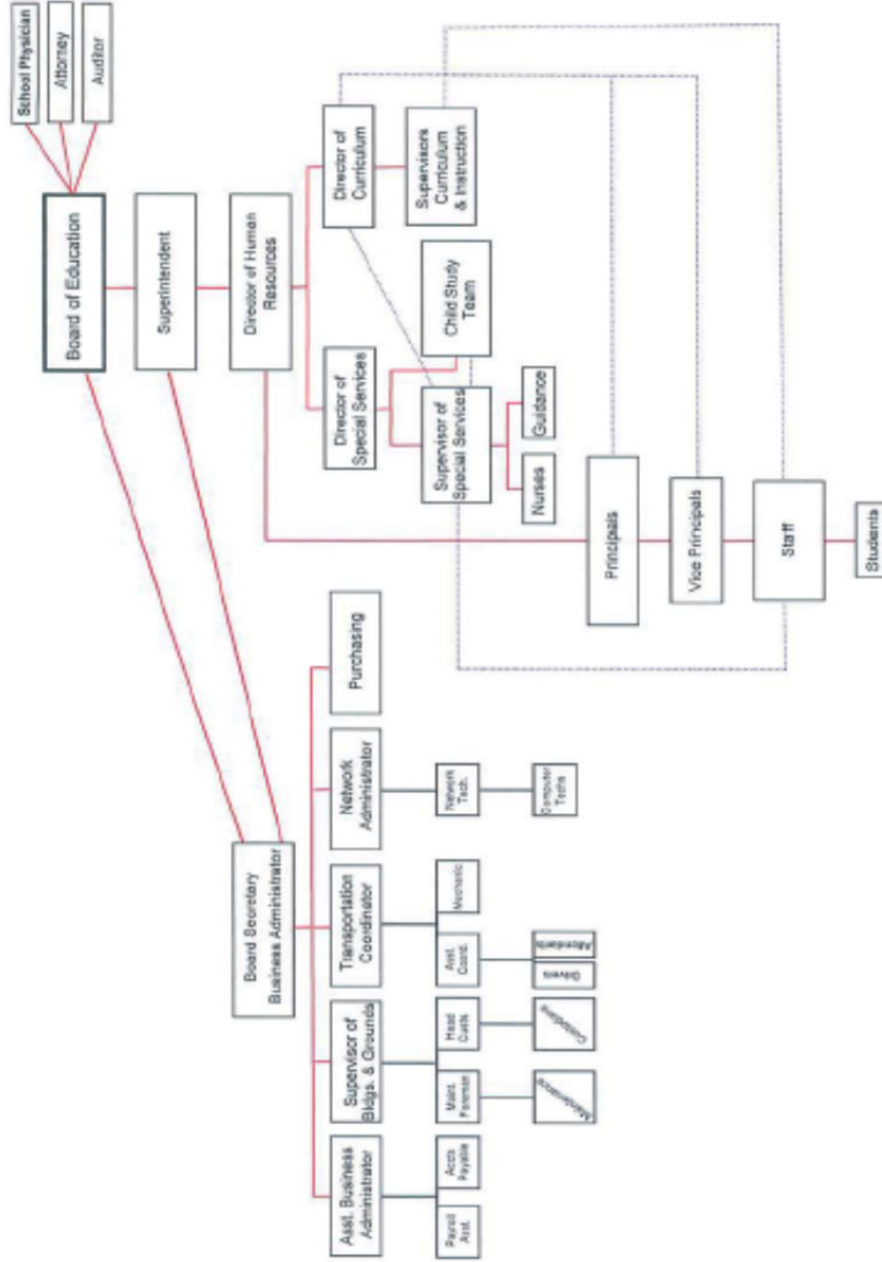


Dr. Eric M. Hibbs  
Superintendent of Schools



Vincent Caravello  
School Business Administrator/  
Board Secretary

# Marlboro Township Board of Education Organizational Chart



— Solid Line indicates immediate supervisor  
 ..... Dotted Line indicates a coordinating function or support services

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
MARLBORO, NEW JERSEY  
ROSTER OF OFFICIALS  
JUNE 30, 2021**

**Members of the Board of Education**

**TERM EXPIRES**

Robyn Wolfe, President	2021
Randy Heller, Vice President	2022
Paul Ferland	2023
Jennifer Silacci	2022
Kathleen Amster	2021
Stephen Shifrinson	2021
Susie Shrem	2023
Jill Strafacci	2023
Tricia Branch	2022

**Other Officials**

Dr. Eric Hibbs, Superintendent

Vincent Caravello, School Business Administrator/Board Secretary

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
MARLBORO, NEW JERSEY  
CONSULTANTS AND ADVISORS  
JUNE 30, 2021**

**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 Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2020.

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



A handwritten signature in black ink that reads 'W. Edward Chabal'.

W. Edward Chabal  
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis  
Executive Director

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**FINANCIAL SECTION**

Second Section

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## 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

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, 2021, 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.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Marlboro Township School District, County of Monmouth, State of New Jersey, as of June 30, 2021, 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.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the District adopted Governmental Accounting Standards Board "GASB" Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

## **Other Matters**

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated February 7, 2022 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  
February 7, 2022

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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, 2021  
UNAUDITED**

This section of the Marlboro Township School District Board of Education's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. 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 2020-2021 and the prior fiscal year 2019-2020 is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2021 are as follows:

- In total, net position of governmental activities increased \$2,829,310, which represents a 6.00% increase from 2020. Total net position of business-type activities increased \$168,651, which represents a 27.22% increase from 2020.
- General revenues accounted for \$88,212,724 in revenue or 72.31% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$33,786,299 or 27.69% of total revenue of \$121,999,023.
- Total assets of governmental activities increased by \$19,097,288 as cash and cash equivalents increased by \$10,233,543, receivables decreased by (\$36,023), restricted cash and cash equivalents decreased by (\$7,420,184), and total capital assets increased by \$16,319,952.
- Total liabilities of governmental activities increased by \$14,416,543 as non-current liabilities due beyond one year increased by \$12,139,018.
- The District had \$117,540,019 in governmental activity expenses; only \$32,156,605 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues from governmental activities (primarily property taxes) of \$88,212,724 were adequate to provide for these programs, resulting in an increase in net position for governmental activities of \$2,829,310.
- In the governmental funds, the general fund had \$120,585,922 in revenues and \$120,321,854 in expenditures. The general fund's fund balance increased by \$264,068 over 2020.

## USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

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.

**Other Information.** As described in Note 19 to the financial statements, "Prior Period Adjustment/Restatement of Net Position," the District has adopted the provisions of GASB 84, *Fiduciary Activities*, for the year ended June 30, 2021. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2020 in the amount of \$842,119, as indicated in Note 19 to the financial statements. The adoption of this principle resulted in a restatement of the District's opening General Fund fund balance and Special Revenue Fund fund balance as of July 1, 2020 in the amount of \$710,805 and \$131,314 respectively, as indicated in Note 19 to the financial statements.

### **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, 2021 and 2020, respectively:

**Net Position**  
**June 30, 2021**

	Governmental Activities		Business-Type Activities	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>				
Current and Other				
Assets	\$ 18,155,506	\$ 15,378,170	\$ 453,001	\$ 425,779
Capital Assets, Net	77,586,748	61,266,796	643,180	398,368
Total Assets	<u>95,742,254</u>	<u>76,644,966</u>	<u>1,096,181</u>	<u>824,147</u>
<b>Deferred Outflows of Resources</b>				
Deferred Outflows				
Relating to Pension	4,345,539	5,140,947	-	-
Total Assets and Deferred Outflows of Resources	<u>4,345,539</u>	<u>5,140,947</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>				
Long-Term Liabilities	37,343,300	24,811,780	-	-
Other Liabilities	4,278,003	2,392,980	307,838	204,455
Total Liabilities	<u>41,621,303</u>	<u>27,204,760</u>	<u>307,838</u>	<u>204,455</u>
<b>Deferred Inflows of Resources</b>				
Deferred Inflows				
Relating to Pension	8,506,846	8,292,937	-	-
Total Liabilities and Deferred Inflows of Resources	<u>8,506,846</u>	<u>8,292,937</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>				
Net Investment in				
Capital Assets	62,049,590	59,941,496	643,180	398,368
Restricted	10,111,542	12,135,960	-	-
Unrestricted	(22,201,488)	(25,789,241)	145,163	221,324
Total Net Position	<u>\$ 49,959,644</u>	<u>\$ 46,288,215</u>	<u>\$ 788,343</u>	<u>\$ 619,692</u>

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

Restricted net position decreased \$2,024,418 from the prior year to \$10,111,542 at June 30, 2021.

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 (\$22,201,488) 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, 2021 and 2020. 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.

	<b><u>June 30, 2021</u></b>		
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>Revenues:</b>			
Program Revenues:			
Charges for Services	\$ -	\$ 1,619,808	\$ 1,619,808
Operating Grants and Contributions	32,156,605	9,886	32,166,491
General Revenues:			
Property Taxes	77,647,155	-	77,647,155
Federal and State Aid	10,438,465	-	10,438,465
Miscellaneous	137,191	-	137,191
Total Revenues	<u>120,379,416</u>	<u>1,629,694</u>	<u>122,009,110</u>
<b>Expenses:</b>			
Instructional Services	71,606,573	-	71,606,573
Support Services	44,933,756	1,461,043	46,394,799
Interest and Other Charges	1,009,777	-	1,009,777
Total Expenses	<u>117,550,106</u>	<u>1,461,043</u>	<u>119,011,149</u>
Change in Net Position	2,829,310	168,651	2,997,961
Net Position, Beginning (Restated)	47,130,334	619,692	47,750,026
Net Position, Ending	<u>\$ 49,959,644</u>	<u>\$ 788,343</u>	<u>\$ 50,747,987</u>
	<b><u>June 30, 2020</u></b>		
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>Revenues:</b>			
Program Revenues:			
Charges for Services	\$ -	\$ 798,963	\$ 798,963
Operating Grants and Contributions	21,684,063	372,324	22,056,387
General Revenues:			
Property Taxes	77,899,993	-	77,899,993
Federal and State Aid	11,864,800	-	11,864,800
Miscellaneous	755,343	-	755,343
Total Revenues	<u>112,204,199</u>	<u>1,171,287</u>	<u>113,375,486</u>
<b>Expenses:</b>			
Instructional Services	59,523,974	-	59,523,974
Support Services	46,678,725	-	46,678,725
Interest and Other Charges	104,170	1,195,016	1,299,186
Total Expenses	<u>106,306,869</u>	<u>1,195,016</u>	<u>107,501,885</u>
Change in Net Position	5,897,330	(23,729)	5,873,601
Net Position, Beginning	40,390,885	643,421	41,034,306
Net Position, Ending	<u>\$ 46,288,215</u>	<u>\$ 619,692</u>	<u>\$ 46,907,907</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, 2021 and 2020 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

	<u>June 30, 2021</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2020	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 37,587,974.00	30.75%	\$ 146,730.00	0.39%
Undistributed	65,428,988.00	53.52%	4,680,130.00	7.70%
Capital Outlay	19,236,715.00	15.74%	16,758,165.00	676.13%
Debt Service:				
Principal	-	0.00%	(3,745,000.00)	-100.00%
Interest	-	0.00%	(35,933.00)	-100.00%
<b>Total</b>	<b>\$ 122,253,677.00</b>	<b>100.00%</b>	<b>\$ 17,804,092.00</b>	<b>17.05%</b>

	<u>June 30, 2020</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2019	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 37,441,244.00	35.85%	\$ (18,487,836.00)	-33.06%
Undistributed	60,748,858.00	58.16%	17,554,975.00	40.64%
Capital Outlay	2,478,550.00	2.37%	(63,465.21)	-10.14%
Debt Service:				
Principal	3,745,000.00	3.59%	95,000.00	2.60%
Interest	35,933.00	0.03%	(63,783.00)	-63.96%
<b>Total</b>	<b>\$ 104,449,585.00</b>	<b>100.00%</b>	<b>\$ (965,109.21)</b>	<b>1.09%</b>

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 2020-2021 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 2020-2021 year.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.

Based on the financial results of 2020-2021, unassigned fund balance increased by \$1,715,955 to \$2,652,624 (4% 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 \$168,651 in 2020-2021 as compared to a change in net position of (\$23,729) in 2019-2020. The food service fund required no contributions from the Board in 2019-2020 or in the 2020-2021 year.

**Capital Assets**

At June 30, 2021 the District has capital assets of \$77,586,748, net of depreciation, which includes land, construction in progress, land improvements, buildings/construction, machinery and equipment.

	<u>June 30, 2021</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 6,849,273	\$ -
Construction In Progress	16,895,194	-
Buildings/Construction	50,467,441	190,898
Machinery and Equipment	3,374,840	452,282
<b>Total</b>	<b>\$ 77,586,748</b>	<b>\$ 643,180</b>
	<u>June 30, 2020</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 6,849,273	\$ -
Buildings/Construction	51,637,515	205,480
Machinery and Equipment	3,178,376	192,888
<b>Total</b>	<b>\$ 61,665,164</b>	<b>\$ 398,368</b>

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, 2021, the District had \$37,343,300 of outstanding debt. Of this amount, \$2,596,499 is for compensated absences, \$15,537,158 is for capital leases, and \$19,209,643 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 faces 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 helping 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 2018, 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.
- 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 19th consecutive year, the district was awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2020 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](mailto: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, 2021**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS:</b>			
Cash & Cash Equivalents	\$ 14,335,022	\$ 217,772	\$ 14,552,794
Receivables, Net (Note 4)	1,216,082	180,544	1,396,626
Inventory	-	54,685	54,685
Restricted Cash & Cash Equivalents	2,604,402	-	2,604,402
Capital Assets, Net (Note 5)			
Non-Depreciable	23,744,467	-	23,744,467
Depreciable	53,842,281	643,180	54,485,461
Total Assets	95,742,254	1,096,181	96,838,435
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	4,345,539	-	4,345,539
Total Deferred Outflow of Resources	4,345,539	-	4,345,539
<b>LIABILITIES:</b>			
Accounts Payable	1,680,977	169,333	1,850,310
Contracts Payable - Retainage	392,692		392,692
Due to Other Governments	1,360,105	-	1,360,105
Unearned Revenue	27,604	138,505	166,109
Accrued Interest	188,217	-	188,217
Accrued Salaries and Wages	837	-	837
Payroll Deductions and Withholdings	627,571	-	627,571
Noncurrent Liabilities (Note 7):			
Due Within One Year	1,030,895	-	1,030,895
Due in More Than One Year	36,312,405	-	36,312,405
Total Liabilities	41,621,303	307,838	41,929,141
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	8,506,846	-	8,506,846
Total Deferred Inflow of Resources	8,506,846	-	8,506,846
<b>NET POSITION:</b>			
Net Investment in Capital Assets	62,049,590	643,180	62,692,770
Restricted for:			
Capital Projects	3,601,343	-	3,601,343
Maintenance Reserve	3,783,135	-	3,783,135
Unemployment Compensation	700,718	-	700,718
Student Activities	95,820	-	95,820
Scholarship	1,737	-	1,737
Technology Trust	2,924	-	2,924
Excess Surplus	1,925,865	-	1,925,865
Unrestricted (Deficit)	(22,201,488)	145,163	(22,056,325)
Total Net Position	\$ 49,959,644	\$ 788,343	\$ 50,747,987

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

MARLBORO TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021

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	\$ 54,934,279	\$ -	\$ 19,810,594	\$ -	\$ (35,123,685)	\$ -	\$ (35,123,685)
Special Education Instruction	12,531,759	-	4,241,553	-	(8,290,206)	-	(8,290,206)
Other Instruction	4,140,535	-	1,401,423	-	(2,739,111)	-	(2,739,111)
Support Services:							
Tuition	1,869,785	-	244,411	-	(1,625,374)	-	(1,625,374)
Student & Instruction Related Services	14,133,175	-	2,541,208	-	(11,591,968)	-	(11,591,968)
General Administrative	2,468,197	-	322,633	-	(2,145,564)	-	(2,145,564)
School Administrative Services	6,056,017	-	791,618	-	(5,264,400)	-	(5,264,400)
Central Services	930,376	-	121,615	-	(808,761)	-	(808,761)
Administrative Info. Technology	1,542,022	-	201,567	-	(1,340,455)	-	(1,340,455)
Plant Operations & Maintenance	11,815,389	-	1,680,161	-	(10,135,228)	-	(10,135,228)
Pupil Transportation	6,118,795	-	799,824	-	(5,318,971)	-	(5,318,971)
Interest & Other Charges	999,690	-	-	-	(999,690)	-	(999,690)
Total Governmental Activities	117,540,019	-	32,156,605	-	(85,383,414)	-	(85,383,414)
Business-Type Activities:							
Food Service	1,461,043	9,886	1,619,808	-	-	168,651	168,651
Total Business-Type Activities	1,461,043	9,886	1,619,808	-	-	168,651	168,651
Total Primary Government	\$ 119,001,062	\$ 9,886	\$ 33,776,413	\$ -	\$ (85,383,414)	\$ 168,651	\$ (85,214,763)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					77,647,155	-	77,647,155
Federal & State Aid Not Restricted					10,438,465	-	10,438,465
Tuition Charges					42,285	-	42,285
Miscellaneous					94,906	-	94,906
Special Item:					(10,087)	-	(10,087)
Payments from Unemployment Reserve					-	-	-
Total General Revenues					88,212,724	-	88,212,724
Change In Net Position					2,829,310	168,651	2,997,961
Net Position - Beginning					47,130,334	619,692	47,750,026
Net Position - Ending					49,959,644	788,343	50,747,987

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, 2021**

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 14,502,298	\$ -	\$ 9,892	\$ -	\$ 14,512,190
Receivables, Net:					
Interfund Receivable	-	7,945	-	-	7,945
Due from Other Governments:					
Federal	3,100	422,692	-	-	425,792
State	731,025	-	-	-	731,025
Other	11,188	-	-	-	11,188
Other Accounts Receivable	48,077	-	-	-	48,077
Restricted Cash & Cash Equivalents	2,604,402	-	-	-	2,604,402
<b>Total Assets</b>	<b>\$ 17,900,090</b>	<b>\$ 430,637</b>	<b>\$ 9,892</b>	<b>\$ -</b>	<b>\$ 18,340,619</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
<b>Liabilities:</b>					
Cash Deficit	\$ -	\$ 177,168	\$ -	\$ -	\$ 177,168
Accounts Payable	1,589,238	91,739	-	-	1,680,977
Contracts Payable - Retainage	392,692	-	-	-	392,692
Intergovernmental Payable:					
State	-	57,245	-	-	57,245
Interfund Payable	7,945	-	-	-	7,945
Unearned Revenue	23,600	4,004	-	-	27,604
Accrued Salaries and Wages	837	-	-	-	837
Payroll Deductions and Withholdings	627,571	-	-	-	627,571
<b>Total Liabilities</b>	<b>2,641,883</b>	<b>330,156</b>	<b>-</b>	<b>-</b>	<b>2,972,039</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve	3,591,451	-	-	-	3,591,451
Maintenance Reserve	3,783,135	-	-	-	3,783,135
Excess Surplus	571,465	-	-	-	571,465
Excess Surplus Designated for Subsequent Year	1,354,400	-	-	-	1,354,400
Capital Projects	-	-	9,892	-	9,892
Reserve for Unemployment Claims	700,718	-	-	-	700,718
Scholarships	-	1,737	-	-	1,737
Student Activities	-	95,820	-	-	95,820
Technology Trust	-	2,924	-	-	2,924
<b>Assigned to:</b>					
Designated for Subsequent Year	497,000	-	-	-	497,000
Other Purposes	2,107,414	-	-	-	2,107,414
Unassigned	2,652,624	-	-	-	2,652,624
<b>Total Fund Balances</b>	<b>15,258,207</b>	<b>100,481</b>	<b>9,892</b>	<b>-</b>	<b>15,368,580</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 17,900,090</b>	<b>\$ 430,637</b>	<b>\$ 9,892</b>	<b>\$ -</b>	

Amounts reported for *governmental activities* 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 \$136,798,935 and the accumulated depreciation is \$59,212,187.	77,586,748
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	4,345,539
Deferred Inflows Related to Pensions	(8,506,846)
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.	(188,217.00)
Accrued pension contributions for the June 30, 2021 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.	(1,302,860)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(37,343,300)
<b>Net Position of Governmental Activities</b>	<b>\$ 49,959,644</b>

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2021**

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 77,647,155	\$ -	\$ -	\$ -	\$ 77,647,155
Tuition Charges	42,285	-	-	-	42,285
Miscellaneous	94,906	49,426	-	-	144,332
Total Local Sources	77,784,346	49,426	-	-	77,833,772
State Sources	27,529,783	179,959	-	-	27,709,742
Federal Sources	21,791	1,681,692	-	-	1,703,483
Total Revenues	105,335,920	1,911,077	-	-	107,246,997
Expenditures:					
Instruction:					
Regular Instruction	27,588,162	1,248,133	-	-	28,836,295
Special Education Instruction	6,578,215	-	-	-	6,578,215
Other Instruction	2,173,464	-	-	-	2,173,464
Support Services:					
Tuition	1,289,722	-	-	-	1,289,722
Attendance & Social Work Services	724,849	-	-	-	724,849
Health Services	944,148	-	-	-	944,148
Student & Instruction Related Services	7,385,871	693,777	-	-	8,079,648
General Administrative	1,702,489	-	-	-	1,702,489
School Administrative Services	4,177,261	-	-	-	4,177,261
Central Services	641,746	-	-	-	641,746
Administrative Information Technology	1,063,641	-	-	-	1,063,641
Plant Operations & Maintenance	9,696,852	-	-	-	9,696,852
Pupil Transportation	4,220,563	-	-	-	4,220,563
Unallocated Benefits	15,774,960	-	-	-	15,774,960
On Behalf TPAF Pension and Social Security Contributions	17,113,109	-	-	-	17,113,109
Capital Outlay	19,236,715	-	-	-	19,236,715
Total Expenditures	120,311,767	1,941,910	-	-	122,253,677
Excess/(Deficiency) of Revenues Over Expenditures	(14,975,847)	(30,833)	-	-	(15,006,680)
Other Financing Sources (Uses):					
Transfers In	2	-	-	-	2
Transfers Out	-	-	-	(2)	(2)
Payments from Unemployment Reserve	(10,087)	-	-	-	(10,087)
Capital Lease (Non-Budgeted)	15,250,000	-	-	-	15,250,000
Total Other Financing Sources (Uses)	15,239,915	-	-	(2)	15,239,913
Net Changes in Fund Balances	264,068	(30,833)	-	(2)	233,233
Fund Balance, July 1 (As Restated, Note 19)	14,994,139	131,314	9,892	2	15,135,347
Fund Balance, June 30	\$ 15,258,207	\$ 100,481	\$ 9,892	\$ -	\$ 15,368,580

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, 2021**

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$	233,233
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	\$	(2,916,763)
Capital Outlays		<u>19,236,715</u>
		16,319,952
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.		
		568,266
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.		
		1,038,142
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 assets.		
Capital Lease Proceeds		(15,250,000)
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 (+).		
		(168,822)
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>88,539</u>
Change in Net Position of Governmental Activities	\$	<u><u>2,829,310</u></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, 2021**

	<b>MAJOR FUNDS</b>
	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>
	<b>FOOD SERVICE</b>
<b>ASSETS</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 217,772
Accounts Receivable:	
Federal	166,607
State	13,517
Other Receivables	420
Inventories	54,685
Total Current Assets	453,001
Noncurrent Assets:	
Capital Assets	1,170,506
Less: Accumulated Depreciation	(527,326)
Total Capital Assets, Net	643,180
Total Noncurrent Assets	643,180
Total Assets	1,096,181
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	169,333
Unearned Revenue	138,505
Total Current Liabilities	307,838
<b>NET POSITION</b>	
Net Investment in Capital Assets	643,180
Unrestricted	145,163
Total Net Position	\$ 788,343

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, 2021**

	<b>MAJOR FUNDS</b>
	<b>BUSINESS-TYPE</b>
	<b>ACTIVITIES -</b>
	<b>ENTERPRISE</b>
	<b>FUNDS</b>
	<b>FOOD</b>
	<b>SERVICE</b>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 2,794
Daily Sales - Non-Reimbursable Programs	722
Special Functions	6,300
Miscellaneous	70
	9,886
Total Operating Revenues	9,886
Operating Expenses:	
Cost of Sales - Reimbursable Programs	341,899
Cost of Sales - Non-Reimbursable Programs	2,717
Salaries	689,111
Other Purchased Professional Services	189,606
Supplies and Materials	108,691
Depreciation	56,011
Management and Administrative Fees	73,008
	1,461,043
Total Operating Expenses	1,461,043
Operating Income/(Loss)	(1,451,157)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	55,836
Federal Sources:	
National School Lunch Program	1,381,812
Food Distribution Program	182,160
	1,619,808
Total Nonoperating Revenues/(Expenses)	1,619,808
Change in Net Position	168,651
Total Net Position - Beginning	619,692
Total Net Position - Ending	\$ 788,343

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, 2021**

	<b>MAJOR FUNDS</b>
	<b>BUSINESS-TYPE</b>
	<b>ACTIVITIES -</b>
	<b>ENTERPRISE</b>
	<b>FUNDS</b>
	<b>FOOD</b>
	<b>SERVICE</b>
Cash Flows From Operating Activities:	
Receipts from Customers	\$ (131,636)
Payments to Employees	(689,111)
Payments to Suppliers	(428,396)
	(1,249,143)
Net Cash Provided by/(Used for) Operating Activities	(1,249,143)
Cash Flows From Noncapital Financing Activities:	
State Sources	55,836
Federal Sources	1,381,812
	1,437,648
Net Cash Provided by/(Used for) Noncapital Financing Activities	1,437,648
Cash Flows From Capital & Related Financing Activities:	
Purchases of Capital Assets	(300,823)
	(300,823)
Net Cash Provided by/(Used for) Capital & Related Financing Activities	(300,823)
Net Increase/(Decrease) in Cash & Cash Equivalents	(112,318)
Balances - Beginning of Year	330,090
Balances - End of Year	\$ 217,772
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:</b>	
Operating Income/(Loss)	\$ (1,451,157)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Depreciation	56,011
Food Distribution Program	182,160
(Increase)/Decrease in Accounts Receivable, Net	(131,554)
(Increase)/Decrease in Inventories	(7,986)
Increase/(Decrease) in Unearned Revenue	(9,968)
Increase/(Decrease) in Accounts Payable	113,351
	202,014
Total Adjustments	202,014
Net Cash Provided/(Used) by Operating Activities	\$ (1,249,143)

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, 2021**

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**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**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, 2021 of 4,543 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, 2021.

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (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, 2021 (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, 2021 (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.

**Capital Projects Fund** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

**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.

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

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. The School District's fiduciary funds include Agency and Private-Purpose Trust Funds. Private Purpose Trust and Agency Funds are used to account for and report assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Private Purpose Trust and Agency Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

The School District reports no fiduciary funds.

**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.

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

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, 2021 (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, 2021 (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, 2021 (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, 2021 (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.

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

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.

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, 2020 and February 7, 2022, 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, 2021 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

For the year ended June 30, 2021 the District implemented GASB Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the District's financial statements.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the District's financial statements.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Requirements of this pronouncement related to section 1, paragraph 4 are effective immediately. All other requirements will be effective for reporting periods beginning June 15, 2021. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the District's financial statements.

Recently Issued Accounting Pronouncements

Statement No. 87, *Leases*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal year periods beginning after June 15, 2021.

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

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (Continued)**

**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, 2021, the School District’s bank balance of \$17,582,433 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	15,816,051
Uninsured and Uncollateralized		1,766,382
Total	\$	17,582,433

**Investments**

The School District had no investments at June 30, 2021.

**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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$	4,241,451
Increased by:		
Deposits Approved by Board		1,000,000
		5,241,451
Decreased by:		
Budget Withdrawals		(1,650,000)
Ending Balance, June 30, 2021	\$	3,591,451

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (Continued)**

**Note 3. Reserve Accounts (Continued)**

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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$	5,783,135
Decreased by:		
Budget Withdrawals		(2,000,000)
Ending Balance, June 30, 2021	\$	3,783,135

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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020 (Restated)	\$	710,805
Decreased by:		
Withdrawals		(10,087)
Ending Balance, June 30, 2021	\$	700,718

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (Continued)**

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2021 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, 2021, consisted of the following:

<u>Description</u>	Governmental Funds		Total Governmental Activities
	General Fund	Special Revenue Fund	
Federal Awards	\$ 3,100	\$ 422,692	\$ 425,792
State Awards	731,025	-	731,025
Other	59,265	-	59,265
Total	\$ 793,390	\$ 422,692	\$ 1,216,082

<u>Description</u>	Proprietary Funds	Total
	Food Service Fund	Business-Type Activities
Federal Awards	\$ 166,607	\$ 166,607
State Awards	13,517	13,517
Other	420	420
Total	\$ 180,544	\$ 180,544

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2021 was as follows:

	Governmental Activities			Balance June 30, 2021
	Balance July 1, 2020	<u>Additions</u>	Retirements and Transfers	
<b>Governmental Activities:</b>				
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	6,849,273	16,895,194	-	23,744,467
Capital Assets being depreciated:				
Buildings and Improvements	100,852,608	1,341,007	-	102,193,615
Equipment	10,132,045	1,000,514	(271,706)	10,860,853
Total Capital Assets being depreciated	110,984,653	2,341,521	(271,706)	113,054,468
Less: Accumulated Depreciation:				
Buildings and Improvements	(49,435,156)	(2,291,018)	-	(51,726,174)
Equipment	(7,131,974)	(625,745)	271,706	(7,486,013)
Total Accumulated Depreciation	(56,567,130)	(2,916,763)	271,706	(59,212,187)
Total Capital Assets being depreciated, net	54,417,523	(575,242)	-	53,842,281
Total Governmental Activities Capital Assets, net	\$ 61,266,796	\$ 16,319,952	\$ -	\$ 77,586,748

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (Continued)**

**Note 5. Capital Assets (Continued)**

	Business-Type Activities			
	Balance July 1, <u>2020</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2021</u>
<b>Business-Type Activities:</b>				
Buildings	\$ 364,554	\$ -	\$ -	\$ 364,554
Equipment	505,129	300,823	-	805,952
Total Capital Assets being depreciated	869,683	300,823	-	1,170,506
Less: Accumulated Depreciation:				
Buildings	(159,074)	(14,582)	-	(173,656)
Equipment	(312,241)	(41,429)	-	(353,670)
Total Capital Assets being depreciated, net	(471,315)	(56,011)	-	(527,326)
Total Business-Type Activities Capital Assets, net	\$ 398,368	\$ 244,812	\$ -	\$ 643,180

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

Governmental Activities

Instruction:	
Regular Instruction	\$ 1,213,723
Special Education Instruction	276,878
Other Instruction	91,481
Support Services:	
Tuition	54,285
Student & Instruction Related Services	410,322
General Administrative	71,658
School Administrative Services	175,821
Central Services	27,011
Administrative Info. Technology	44,769
Plant Operations & Maintenance	373,170
Pupil Transportation	177,644
Total Depreciation Expense - Governmental Activities	\$ 2,916,763

**Note 6. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at June 30, 2021 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ 7,945
Special Revenue Fund	7,945	-
	\$ 7,945	\$ 7,945

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.



**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (Continued)**

**Note 6. Interfund Receivables, Payables and Transfers (Continued)**

There were interfund transfers for the year ended June 30, 2021. A summary of interfund transfers are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2	\$ -
Debt Service Fund	-	(2)
	<u>\$ 2</u>	<u>\$ (2)</u>

**Note 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
Capital Leases	1,325,300	15,250,000	1,038,142	15,537,158	1,030,895
Compensated Absences	2,685,038	144,450	232,989	2,596,499	-
Net Pension Liability	20,801,442	12,060,271	13,652,070	19,209,643	-
	<u>\$ 24,811,780</u>	<u>\$ 27,454,721</u>	<u>\$ 14,923,201</u>	<u>\$ 37,343,300</u>	<u>\$ 1,030,895</u>

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

**Capital Lease Payable**

The School District is leasing capital items and equipment under capital leases. All capital leases are for terms of five to ten years. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2021:

	<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
	2022	\$ 1,331,887
	2023	1,189,747
	2024	1,076,184
	2025	932,098
	2026	873,957
	2027-2031	4,680,018
	2032-2036	4,968,422
	2037-2040	3,488,121
		<u>18,540,434</u>
Total Minimum Lease Payments		18,540,434
Less: Amount Representing Interest		<u>(3,003,276)</u>
Present Value of Minimum Lease Payments		<u>\$ 15,537,158</u>

Amortization of the leased equipment and improvements under capital assets is included with depreciation expense.

**Bonds Authorized but not Issued**

As of June 30, 2021, the School District had no bonds authorized but not issued.

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (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 Comprehensive Annual Financial Report (CAFR) 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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 2020, the State's pension contribution was less 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.

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (Continued)**

**Note 8. Pension Plans (Continued)**

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2021, the School District reported a liability of \$19,209,643 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020. 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, 2020. The School District's proportion measured as of June 30, 2020, was 0.11779720% which was an increase of 0.00235218% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$724,655 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 349,776	\$ 67,934
Changes of Assumptions	623,183	8,043,260
Net Difference between Projected and Actual Earnings on Pension Plan Investments	656,601	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	1,413,119	395,652
School District contributions subsequent to measurement date	1,302,860	-
	\$ 4,345,539	\$ 8,506,846

\$1,302,860 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2020-2021 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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, 2021 (Continued)**

**Note 8. Pension Plans (Continued)**

<b>Year Ending June 30,</b>		
2022	\$	(1,512,907)
2023		(2,219,456)
2024		(1,102,563)
2025		(536,008)
2026		(93,233)
	<u>\$</u>	<u>(5,464,167)</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between District Contributions		
Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (Continued)**

**Note 8. Pension Plans (Continued)**

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00% Based on Years of Service
Thereafter	3.00% - 7.00% 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-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (Continued)**

**Note 8. Pension Plans (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	50.00%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 78% 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, 2020, 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	\$ 24,371,887	\$ 19,209,643	\$ 15,108,564

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2019 and 2018:

	<u>6/30/2021</u>	<u>6/30/2020</u>
Collective Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective Deferred Inflows of Resources	\$ 7,849,949,467	\$ 7,645,087,574
Collective Net Pension Liability	\$ 16,435,616,426	\$ 18,143,832,135
School District's portion	0.1178%	0.11545%

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2021 (Continued)**

**Note 8. Pension Plans (Continued)**

**B. Teachers' Pension and Annuity Fund (TPAF)**

**Plan Description** - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (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 State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.nj.gov/treasury/pensions/financial-reports.shtml](http://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, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 before age 65 with 30 or more years 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. Pursuant to the provisions of *Chapter 78, P.L. 2011*, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.5% in State fiscal year 2018. 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 2020, the State's pension contribution was less than the actuarial determined amount.

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (Continued)**

**Note 8. Pension Plans (Continued)**

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, 2021 was \$243,129,433. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.36922%, which was an increase of 0.01226% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State recognized a pension expense in the amount of \$15,118,823 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2020 measurement date.

**Actuarial Assumption** - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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:	
Through 2026	1.55% - 4.45% Based on Years of Service
Thereafter	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, 2021 (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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**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, 2020) 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, 2020 are summarized in the following table:

<b>Asset Class:</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (Continued)**

**Note 8. Pension Plans (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. 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 the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. 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 through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date 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 5.40% 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:

	<b>At 1% Decrease (4.40%)</b>	<b>At Current Discount Rate (5.40%)</b>	<b>At 1% Increase (6.40%)</b>
State's Proportionate Share of Net Pension Liability associated with the School District	\$ 285,583,993	\$ 243,129,433	\$ 207,878,047

**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 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, 2021 (Continued)**

**Note 8. Pension Plans (Continued)**

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

	<b>6/30/2021</b>	<b>6/30/2020</b>
Collective Deferred Outflows of Resources	\$ 9,626,548,228	\$ 10,129,162,237
Collective Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Collective Net Pension Liability	65,993,498,688	61,519,112,443
 School District's portion	 0.36922%	 0.35697%

**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, 2021, employee contributions totaled \$71,519, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$50,084.

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (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, 2021 (Continued)**

**Note 9. Other Post-Retirement Benefits (continued)**

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**Inflation Rate** 2.50%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on age	3.25 - 15.25% based on age
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

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-2020. Postretirement mortality rates were based on the PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2020. Disability mortality was based on the PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PFRS and PERS, respectively.

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, 2020 was \$243,137,590. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.35855733%, which was an increase of 0.00563718% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$13,132,419 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, 2020 measurement date.

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (Continued)**

**Note 9. Other Post-Retirement Benefits (continued)**

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend is 5.0%.

**Discount Rate**

The discount rate for June 30, 2020 was 2.21%, respectively. 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, 2020, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>June 30, 2020</b>		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 293,114,915	\$ 243,137,590	\$ 204,060,136
State of New Jersey's Total Nonemployer OPEB Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

**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, 2020, 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:

	<b>June 30, 2020</b>		
	1% decrease	Healthcare cost trend rate	1% increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 196,268,862	\$ 243,137,590	\$ 298,947,828
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (Continued)**

**Note 9. Other Post-Retirement Benefits (continued)**

**Additional Information**

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of	Deferred Inflows of
Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	11,534,251,250	(7,737,500,827)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	N/A
	\$ 21,829,570,000	\$ (16,908,204,442)

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,	
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Thereafter	4,704,163,473
	\$ 4,921,365,558

\*\* Employer Contributions made after June 30, 2021 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, 2021 (Continued)**

**Note 9. Other Post-Retirement Benefits (continued)**

**Plan Membership**

At June 30, 2019, the Program membership consisted of the following:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	<u>149,304</u>
	<u><u>366,108</u></u>

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

**Total OPEB Liability**

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Differences Between Expected and Actual Experiences	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	<u>(1,180,515,618)</u>
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	<u>41,729,081,045</u>
Total OPEB Liability (Ending)	<u><u>\$ 67,809,962,608</u></u>
Total Covered Employee Payroll	14,267,738,657
Net OPEB Liability as a Percentage of Payroll	475%

**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, 2021, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$10,754,151, \$2,982,304, \$3,370,184, and \$6,470, respectively.



**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (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>Restricted Unemployment Fund Balance</u>	<u>Ending Balance Unemployment Trust Liability</u>
2021	\$ -	\$ 10,087	\$ 700,718	\$ -
2020	55,000	1,740	710,805	-
2019	131,592	-	657,545	-

\*Starting on July 1, 2020 Unemployment is accounted for in the General Fund

As of June 30, 2021 the State provided quarterly bills for the previous four quarters have not been provided in the fiscal year. The District has accrued a liability for estimated unemployment claims.

**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 Comprehensive Annual 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, 2021 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, 2021 (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, 2021, the liability for compensated absences reported was \$2,596,499.

**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, 2021 (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, 2021 was \$571,465.

**Note 17. Fund Balances**

**General Fund** – Of the \$15,258,207 General Fund fund balance at June 30, 2021, \$3,591,451 has been restricted for the Capital Reserve Account; \$3,783,135 has been restricted for the Maintenance Reserve Account; \$700,718 has been restricted for unemployment claims; \$571,465 has been restricted for current year excess surplus; \$1,354,400 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$497,000 has been assigned - designated for subsequent year's expenditures; \$2,107,414 has been assigned to other purposes; and \$2,652,624 has been unassigned.

**Special Revenue Fund** – Of the \$100,481 Special Revenue Fund fund balance at June 30, 2021, \$1,737 is restricted for scholarships; \$95,820 is restricted for student activities; and \$2,924 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 \$22,201,488 at June 30, 2021. 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, 2021. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**LACEY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 19: Prior Period Adjustment/Restatement of Fund Balance and Net Position**

Net Position as of July 1, 2020, has been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Funds*.

Net Position as previously reported at June 30, 2020	\$ 46,288,215
Prior Period Adjustment- Implementation of GASB 84:	
Restricted Fund Balance-Unemployment	710,805
Restricted Fund Balance-Student Activities	1,862
Restricted Fund Balance- Scholarship	106,528
Restricted Fund Balance- Technology Trust	<u>22,924</u>
Total Prior Period Adjustment	<u>842,119</u>
Net Position as restated, July 1, 2020	<u><u>\$ 47,130,334</u></u>

Fund Balance in the General Fund and the Special Revenue Fund as of July 1, 2020, has been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Funds*.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
Fund Balance as previously reported at June 30, 2020	\$ 14,283,334	\$ -
Prior Period Adjustment- Implementation of GASB 84:		
Restricted Fund Balance-Unemployment	710,805	-
Restricted Fund Balance-Student Activities	-	106,528
Restricted Fund Balance- Scholarship	-	1,862
Restricted Fund Balance- Technology Trust	<u>-</u>	<u>22,924</u>
Total Prior Period Adjustment	<u>710,805</u>	<u>131,314</u>
Fund Balance as restated, July 1, 2020	<u><u>\$ 14,994,139</u></u>	<u><u>\$ 131,314</u></u>

**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, 2021

ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 77,647,155	\$ -	\$ 77,647,155	\$ -
Tuition From Individuals	95,000	-	95,000	(52,715)
Play Proceeds	12,571	-	12,571	(12,571)
Student Dues and Fees	120,000	-	120,000	(120,000)
Rents and Royalties	80,000	-	80,000	(53,343)
Unrestricted Miscellaneous Revenues	220,439	4,275	224,714	(156,465)
Total Local Sources	78,175,165	4,275	78,179,440	(395,094)
State Sources:				
Categorical Transportation Aid	1,189,069	-	1,189,069	-
Extraordinary Aid	250,000	229,207	479,207	523,696
Categorical Special Education Aid	3,375,643	-	3,375,643	44,489
Equalization Aid	4,839,850	-	4,839,850	-
Categorical Security Aid	349,448	-	349,448	-
Other State Aids	-	-	-	49,590
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	-	10,754,151
TPAF Social Security (reimbursed)	-	-	-	2,982,304
TPAF Post Retirements	-	-	-	3,370,184
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	6,470
Total State Sources	10,004,010	229,207	10,233,217	27,440,405
Federal Sources:				
Medicaid Reimbursement	10,000	-	10,000	21,791
Total Federal Sources	10,000	-	10,000	21,791
Total Revenues	88,189,175	233,482	88,422,657	105,246,542
Total State Sources	10,004,010	229,207	10,233,217	17,207,188
Federal Sources:				
Medicaid Reimbursement	10,000	-	10,000	21,791
Total Federal Sources	10,000	-	10,000	21,791
Total Revenues	88,189,175	233,482	88,422,657	105,246,542

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	ORIGINAL BUDGET	JUNE 30, 2021		VARIANCE FINAL TO ACTUAL
		BUDGET TRANSFERS	FINAL BUDGET	
11-105-100-101	243,214	(23,450)	219,764	175,227
11-110-100-101	1,937,637	35,794	1,973,431	1,930,384
11-120-100-101	13,334,208	228,697	13,562,905	13,353,119
11-130-100-101	12,688,009	175,897	12,863,906	12,125,799
11-150-100-101	12,000	-	12,000	2,073
11-150-100-320	6,000	-	6,000	1,560
Purchased Professional - Educational Services				
Total Regular Programs - Instruction				27,588,162
Total Regular Programs - Instruction				1,049,844
Special Education - Instruction:				
Learning and/or Language Disabilities:				
11-204-100-101	935,185	82,776	1,017,961	1,011,065
11-204-100-106	403,999	(12,597)	391,402	329,262
11-204-100-500	4,240	-	4,240	2,000
11-204-100-610	12,200	-	12,200	2,852
11-204-100-640	3,000	-	3,000	-
Total Learning and/or Language Disabilities				1,345,179
Total Learning and/or Language Disabilities				83,624
Special Education - Instruction:				
Multiple Disabilities:				
11-212-100-101	518,963	12,956	531,919	441,428
11-212-100-106	367,733	(2,869)	364,864	295,158
11-212-100-500	3,645	-	3,645	475
11-212-100-610	5,350	157	5,507	1,767
Total Multiple Disabilities				738,828
Total Multiple Disabilities				167,107

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Education - Instruction: Resource Room/Resource Center:				
Salaries of Teachers	2,829,199	-	2,829,199	67,416
Other Purchased Services	31,440	3,000	34,440	9,095
General Supplies	53,392	(400)	52,992	35,360
Textbooks	28,149	-	28,149	18,898
Total Resource Room/Resource Center	2,942,180	2,600	2,944,780	130,769
Special Education - Instruction: Autism:				
Salaries of Teachers	529,969	(92,338)	437,631	105,771
Other Salaries for Instruction	133,435	168,079	301,514	64
Other Purchased Services	12,000	-	12,000	9,601
General Supplies	7,100	251	7,351	5,534
Total Autism	682,504	75,992	758,496	120,970
Special Education - Instruction: Preschool Disabilities - Part-Time:				
Salaries of Teachers	300,109	62,951	363,060	12,629
Other Salaries for Instruction	90,039	(5,685)	84,354	4,418
Other Purchased Services	4,000	-	4,000	4,000
General Supplies	500	-	500	97
Total Preschool Disabilities - Part-Time	394,648	57,266	451,914	21,144
Special Education - Instruction: Preschool Disabilities - Full-Time:				
Salaries of Teachers	343,344	(33,420)	309,924	1,917
Other Salaries for Instruction	452,525	(100,000)	352,525	64,865
Other Purchased Services	250	-	250	250
General Supplies	5,000	-	5,000	2,000
Total Preschool Disabilities - Full-Time	801,119	(133,420)	667,699	69,032

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	ORIGINAL BUDGET	JUNE 30, 2021		VARIANCE FINAL TO ACTUAL
		BUDGET TRANSFERS	FINAL BUDGET	
Special Education - Instruction:				
Home Instruction:				
Salaries of Teachers	10,000	-	10,000	9,644
Purchased Professional - Educational Services	12,000	-	12,000	3,590
	22,000	-	22,000	13,234
Total Home Instruction				8,766
Total Special Education - Instruction	7,096,766	82,861	7,179,627	6,578,215
				601,412
Basic Skills/Remedial - Instruction:				
Salaries of Teachers	789,921	4,867	794,788	786,658
Other Salaries for Instruction	261,353	-	261,353	221,446
Other Purchased Services	5,930	-	5,930	5,930
General Supplies	25,550	5,999	31,549	31,331
	1,082,754	10,866	1,093,620	1,045,365
Total Basic Skills/Remedial - Instruction				48,255
Bilingual Education - Instruction:				
Salaries of Teachers	319,489	-	319,489	315,040
Other Purchased Services	12,300	-	12,300	12,300
General Supplies	2,400	-	2,400	629
	334,189	-	334,189	327,969
Total Bilingual Education - Instruction				6,220
School-Sponsored Coccircular/Extra Curricular Activities - Instruction:				
Salaries	218,055	(91,000)	127,055	112,839
Purchased Services	10,687	-	10,687	-
Supplies and Materials	11,551	358	11,909	4,383
Other Objects	1,325	-	1,325	-
	241,618	(90,642)	150,976	117,222
Total School-Sponsored Coccircular/Extra Curricular Activities - Instruction				33,754
School-Sponsored Athletics - Instruction:				
Salaries	206,110	(120,279)	85,831	85,831
Supplies and Materials	17,199	(10,971)	6,228	3,005
Other Objects	23,072	(8,720)	14,352	3,324
	246,381	(139,970)	106,411	92,160
Total School-Sponsored Athletics - Instruction				14,251

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Instructional Programs - Instruction					
Salaries	11-403-100-100	607,847	-	607,847	577,869
Other Purchased Services	11-403-100-500	600	-	600	500
Supplies and Materials	11-403-100-600	13,786	-	13,786	12,379
					1,407
Total Other Instructional Programs - Instruction		622,233	-	622,233	590,748
Undistributed Expenditures - Instruction (Tuition):					
Tuition to Private School Disabled - Within State	11-000-100-566	1,210,756	(7,899)	1,202,857	1,159,879
Tuition - Other	11-000-100-569	107,630	25,713	133,343	129,843
					42,978
Total Undistributed Expenditures - Instruction (Tuition)		1,318,386	17,814	1,336,200	1,289,722
Undistributed Expenditures Attendance and Social Work:					
Salaries	11-000-211-100	679,423	55,450	734,873	724,783
Purchased Professional and Technical Services	11-000-211-300	10,097	-	10,097	-
Other Purchased Services	11-000-211-500	1,000	-	1,000	66
					934
Total Undistributed Expenditures Attendance and Social Work		690,520	55,450	745,970	724,849
Undistributed Expenditures - Health Services:					
Salaries	11-000-213-100	884,921	(10,238)	874,683	821,297
Purchased Professional & Technical Services	11-000-213-300	367,000	-	367,000	104,500
Other Purchased Services	11-000-213-500	80	-	80	-
Supplies and Materials	11-000-213-600	19,990	2,601	22,591	18,351
					4,240
Total Undistributed Expenditures - Health Services		1,271,991	(7,637)	1,264,354	944,148
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	11-000-216-100	1,148,291	208,418	1,356,709	1,341,791
Purchased Professional - Educational Services	11-000-216-320	79,000	69,920	148,920	135,813
Supplies and Materials	11-000-216-600	13,865	-	13,865	6,120
					7,745
Total Undistributed Expenditures - Speech, OT, PT and Related Services		1,241,156	278,338	1,519,494	1,483,724
					35,770

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Other Support Services - Extra Services: Salaries	801,750	(154,178)	647,572	13,147
Total Undistributed Expenditures - Other Support Services - Extra Services	801,750	(154,178)	647,572	13,147
Undistributed Expenditures - Guidance: Salaries of Other Professional Staff Salaries of Secretaries & Clerical Assistants Other Purchased Professional and Technical Services Other Purchased Services Supplies and Materials	980,743 114,680 296,181 200 28,275	(1,188) 1,188 85,475 - (20,902)	979,555 115,868 381,656 200 7,373	14,603 - 470 - 848
Total Undistributed Expenditures - Guidance	1,420,079	64,573	1,484,652	15,921
Undistributed Expenditures - Child Study Teams: Salaries of Other Professional Staff Salaries of Secretaries & Clerical Assistants Unused Vacation Payments Purchased Professional - Educational Services Other Purchased Services Residential Costs Miscellaneous Purchased Services Supplies and Materials	1,531,374 161,542 - 260,000 33,500 44,880 19,600 38,100	(69,590) (32,183) 3,323 (88,500) - 621 3,905 -	1,461,784 129,359 3,323 171,500 33,500 45,501 23,505 38,100	20,115 27,115 1 63,748 10,123 - 15,993 8,383
Total Undistributed Expenditures - Child Study Teams	2,088,996	(182,424)	1,906,572	145,478
Undistributed Expenditures - Improvement of Instruction Services: Salaries of Sec. and Clerical Assist. Other Salaries Sal. of Fac., Math, Literacy Coaches Other Purchased Professional and Technical Services Other Purchased Services Supplies and Materials	89,815 170,285 1,153,234 5,000 61,176 10,050	- 9,992 - (5,000) 55,469 -	89,815 180,277 1,153,234 - 116,645 10,050	601 21,203 2,642 - 30,244 726
Total Undistributed Expenditures - Improvement of Instruction Services	1,489,560	60,461	1,550,021	55,416

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Educational Media Services/Library:					
Salaries	11-000-222-100	551,743	(95,054)	456,689	433,814
Other Purchased Services	11-000-222-500	30,620	2,196	32,816	32,342
Supplies and Materials	11-000-222-600	43,742	(654)	43,088	31,299
					11,789
Total Undistributed Expenditures - Educational Media Services/Library		626,105	(93,512)	532,593	497,455
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Secretarial and Clerical Asst.	11-000-223-105	22,329	-	22,329	22,304
Other Salaries	11-000-223-110	38,755	(27,878)	10,877	6,601
Other Purchased Prof. and Tech. Services	11-000-223-390	11,500	-	11,500	725
Other Purchased Services	11-000-223-500	87,867	-	87,867	13,261
Supplies and Materials	11-000-223-600	2,990	-	2,990	2,946
					44
Total Undistributed Expenditures - Instructional Staff Training Services		163,441	(27,878)	135,563	45,837
Undistributed Expenditures - Support Services - General Administration:					
Salaries	11-000-230-100	709,425	17,600	727,025	709,105
Legal Services	11-000-230-331	295,000	(70,000)	225,000	101,847
Audit Fees	11-000-230-332	35,000	(3,350)	31,650	30,650
Architectural/Engineering Services	11-000-230-334	50,000	155,425	205,425	182,181
Other Purchased Professional Services	11-000-230-339	70,500	(6,200)	64,300	56,058
Purchased Technical Services	11-000-230-340	71,000	3,200	74,200	74,195
Communications/Telephone	11-000-230-530	318,656	115,580	434,236	399,162
Other Purchased Services	11-000-230-590	88,859	2,527	91,386	66,667
General Supplies	11-000-230-610	19,900	2,821	22,721	18,458
BOE In-House Training/Meeting Supplies	11-000-230-630	500	-	500	500
Judgements Against School District	11-000-230-820	50,000	(25,000)	25,000	-
Miscellaneous Expenditures	11-000-230-890	8,500	2,500	11,000	5,772
BOE Membership Dues and Fees	11-000-230-895	40,000	-	40,000	33,394
					6,606
Total Undistributed Expenditures - Support Services - General Administration		1,757,340	195,103	1,952,443	1,702,489
					249,954

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Undistributed Expenditures -						
Support Services - School Administration:						
Salaries of Principals/Assistant Principals	11-000-240-103	3,052,566	(50,741)	3,001,825	3,001,353	472
Salaries of Secretaries & Clerical Assistants	11-000-240-105	994,864	-	994,864	989,133	5,731
Unused Vacation Payment to Staff	11-000-240-199	-	17,457	17,457	17,456	1
Other Purchased Services	11-000-240-500	130,585	(32,524)	98,061	96,036	2,025
Supplies and Materials	11-000-240-600	76,413	(765)	75,648	52,194	23,454
Other Objects	11-000-240-800	21,547	4,200	25,747	21,089	4,658
<b>Total Undistributed Expenditures -</b>		<b>4,275,975</b>	<b>(62,373)</b>	<b>4,213,602</b>	<b>4,177,261</b>	<b>36,341</b>
Support Services - School Administration						
Undistributed Expenditures - Central Services:						
Salaries	11-000-251-100	647,429	(15,643)	631,786	625,758	6,028
Purchased Professional Services	11-000-251-330	4,000	1,979	5,979	4,485	1,494
Miscellaneous Purchased Services	11-000-251-592	8,500	(1,979)	6,521	1,014	5,507
Supplies and Materials	11-000-251-600	7,300	49	7,349	7,349	-
Miscellaneous Expenditures	11-000-251-890	3,200	(29)	3,171	3,140	31
<b>Total Undistributed Expenditures - Central Services</b>		<b>670,429</b>	<b>(15,623)</b>	<b>654,806</b>	<b>641,746</b>	<b>13,060</b>
Undistributed Expenditures -						
Administrative Information Technology:						
Salaries	11-000-252-100	543,447	-	543,447	538,328	5,119
Purchased Technical Services	11-000-252-340	26,600	2,800	29,400	29,376	24
Other Purchased Services	11-000-252-500	236,200	93,200	329,400	312,684	16,716
Supplies and Materials	11-000-252-600	191,000	(1,215)	189,785	183,253	6,532
<b>Total Undistributed Expenditures -</b>		<b>997,247</b>	<b>94,785</b>	<b>1,092,032</b>	<b>1,063,641</b>	<b>28,391</b>
Administrative Information Technology						
Undistributed Expenditures -						
Required Maintenance for School Facilities:						
Cleaning, Repair & Maintenance Services	11-000-261-420	1,760,000	88,422	1,848,422	1,402,594	445,828
General Supplies	11-000-261-610	240,000	63,310	303,310	274,615	28,695
<b>Total Undistributed Expenditures -</b>		<b>2,000,000</b>	<b>151,732</b>	<b>2,151,732</b>	<b>1,677,209</b>	<b>474,523</b>
Required Maintenance for School Facilities						



MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Undistributed Expenditures - Custodial Services:						
Salaries	11-000-262-100	1,840,372	(230,118)	1,610,254	1,567,928	42,326
Salaries of Non-Instructional Aides	11-000-262-107	517,217	-	517,217	450,934	66,283
Unused Vacation Payment to Staff	11-000-262-199	-	9,790	9,790	9,790	-
Purchased Professional and Technical Services	11-000-262-300	30,000	4,900	34,900	19,002	15,898
Cleaning, Repair & Maintenance Services	11-000-262-420	2,757,420	(96,463)	2,660,957	2,563,167	97,790
Other Purchased Property Services	11-000-262-490	250,197	-	250,197	218,568	31,629
Insurance	11-000-262-520	234,814	-	234,814	227,820	6,994
Miscellaneous Purchased Services	11-000-262-590	4,300	-	4,300	692	3,608
General Supplies	11-000-262-610	235,045	151,837	386,882	351,303	35,579
Energy (Natural Gas)	11-000-262-621	482,000	(90,000)	392,000	376,848	15,152
Energy (Electricity)	11-000-262-622	873,250	(290,868)	582,382	580,104	2,278
Energy (Oil)	11-000-262-624	8,500	-	8,500	7,617	883
Other Objects	11-000-262-800	26,950	-	26,950	20,053	6,897
Interest - Energy Savings Impr Prog Bonds	11-000-262-837	-	830,868	830,868	830,868	-
<b>Total Undistributed Expenditures - Custodial Services</b>		<b>7,260,065</b>	<b>289,946</b>	<b>7,550,011</b>	<b>7,224,694</b>	<b>325,317</b>
Undistributed Expenditures - Care and Upkeep of Grounds:						
Salaries	11-000-263-100	62,381	(2,438)	59,943	59,943	-
Cleaning, Repair & Maintenance Services	11-000-263-420	151,791	6,242	158,033	147,218	10,815
General Supplies	11-000-263-610	33,000	(2,004)	30,996	22,305	8,691
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>		<b>247,172</b>	<b>1,800</b>	<b>248,972</b>	<b>229,466</b>	<b>19,506</b>
Security:						
Salaries	11-000-266-100	306,885	-	306,885	292,141	14,744
Purchased Professional and Technical Services	11-000-266-300	280,000	(76,922)	203,078	183,034	20,044
Cleaning, Repair, and Maintenance Services	11-000-266-420	152,304	(42,000)	110,304	76,516	33,788
General Supplies	11-000-266-610	16,975	6,000	22,975	13,413	9,562
Other Objects	11-000-266-800	-	1,000	1,000	379	621
<b>Total Security</b>		<b>756,164</b>	<b>(111,922)</b>	<b>644,242</b>	<b>565,483</b>	<b>78,759</b>

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Undistributed Expenditures - Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	319,385	(40,000)	279,385	273,360	6,025
Salaries of Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,917,424	(50,000)	1,867,424	1,828,911	38,513
Sal for Pupil Trans (Bet Home & Sch)- Sp Ed	11-000-270-161	449,667	(40,000)	409,667	396,547	13,120
Sal for Pupil Trans (Other than Bet. Home & Sch)	11-000-270-162	8,842	(500)	8,342	1,310	7,032
Other Purchased Prof. and Technical Serv.	11-000-270-390	20,662	725	21,387	19,870	1,517
Cleaning, Repair and Maintenance Services	11-000-270-420	69,054	3,475	72,529	30,439	42,090
Lease Purchase Payments - School Buses	11-000-270-443	656,638	-	656,638	648,981	7,657
Contract Services - Aid in Lieu Payments - Non Public Schools	11-000-270-503	144,850	38,000	182,850	145,675	37,175
Contract Services (Between Home & School) - Vendors	11-000-270-511	150,000	(68,617)	81,383	34,130	47,253
Contract Services (Other Than Between Home & School) - Vendors	11-000-270-512	20,000	(8,000)	12,000	-	12,000
Contract Services (Between Home & School) - Joint Agreement	11-000-270-513	103,000	(38,000)	65,000	7,395	57,605
Contract Serv.(Sp Ed Stds)-Joint Agrmnts	11-000-270-515	825,000	(228,638)	596,362	507,950	88,412
Miscellaneous Purchased Services - Transportation	11-000-270-593	50,306	7,963	58,269	50,089	8,180
General Supplies	11-000-270-610	7,500	2,285	9,785	5,181	4,604
Transportation Supplies	11-000-270-615	601,187	(194,348)	406,839	259,349	147,490
Miscellaneous Expenditures	11-000-270-800	15,076	-	15,076	11,376	3,700
<b>Total Undistributed Expenditures - Student Transportation Services</b>		<b>5,358,591</b>	<b>(615,655)</b>	<b>4,742,936</b>	<b>4,220,563</b>	<b>522,373</b>
Unallocated Benefits:						
Social Security Contributions	11-000-291-220	957,790	-	957,790	937,519	20,271
Other Retirement Contributions - PERS	11-000-291-241	1,154,584	147,286	1,301,870	1,301,870	-
Unemployment Compensation	11-000-291-250	150,000	(38,926)	111,074	111,074	-
Workmen's Compensation	11-000-291-260	574,948	(148,878)	426,070	426,069	1
Health Benefits	11-000-291-270	13,505,785	(732,841)	12,772,944	12,520,394	252,550
Tuition Reimbursement	11-000-291-280	75,647	-	75,647	59,426	16,221
Other Employee Benefits	11-000-291-290	260,300	70,009	330,309	313,617	16,692
Unused Sick Payment to Staff	11-100-100-299	175,000	(70,009)	104,991	104,991	-
<b>Total Unallocated Benefits</b>		<b>16,854,054</b>	<b>(773,359)</b>	<b>16,080,695</b>	<b>15,774,960</b>	<b>305,735</b>
Nonbudgeted:						
TPAF Pension (on-behalf)		-	-	-	10,754,151	(10,754,151)
TPAF Social Security (reimbursed)		-	-	-	2,982,304	(2,982,304)
TPAF Post Retirements		-	-	-	3,370,184	(3,370,184)
TPAF Long-Term Disability Insurance (on behalf)		-	-	-	6,470	(6,470)
<b>Total Undistributed Expenditures</b>		<b>51,289,021</b>	<b>(834,559)</b>	<b>50,454,462</b>	<b>64,735,211</b>	<b>(14,280,749)</b>
<b>Total Expenditures - Current Expense</b>		<b>89,134,030</b>	<b>(554,506)</b>	<b>88,579,524</b>	<b>101,075,052</b>	<b>(12,495,528)</b>

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	ORIGINAL BUDGET	JUNE 30, 2021		VARIANCE FINAL TO ACTUAL
		BUDGET TRANSFERS	FINAL BUDGET	
Capital Outlay:				
Equipment:				
Grades 6-8	-	8,500	8,500	1
Undistributed Expenditures:				
Undist. Expend.-Support Serv.- Students - Reg	-	36,242	36,242	-
Undist. Expend.-Support Serv. - Inst. Staff	4,000	-	4,000	1
Undistributed Expenditures - School Admin.	9,000	-	9,000	50
Undistributed Expenditures - Admin Info Tech.	25,000	10,400	35,400	31
Undist. Expend. - Required Maint for School Fac.	1,146,226	-	1,146,226	-
Undist. Expend. - Custodial Services	105,000	(434)	104,566	45,959
Undist. Expend. - Security	10,000	(3,465)	6,535	335
Undist. Expend.-Student Trans.-Non-Inst. Equip	-	28,200	28,200	28,200
Total Equipment	1,299,226	79,443	1,378,669	74,577
Facilities Acquisition & Construction Services:				
Construction Services	2,650,000	1,526,623	4,176,623	1,494,000
Total Facilities Acquisition & Construction Services	2,650,000	1,526,623	4,176,623	1,494,000
Assets Acquired Under Capital Leases (Non-Budgeted):				
Capital Leases (Non-Budgeted)	-	-	-	(15,250,000)
Total Assets Acquired Under Capital Leases (Non-Budgeted)	-	-	-	(15,250,000)
Total Capital Outlay	3,949,226	1,606,066	5,555,292	(13,681,423)
Total Expenditures	93,083,256	1,051,560	94,134,816	(26,176,951)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses)	(4,894,081)	(818,078)	(5,712,159)	(9,353,066)
Other Financing Sources/(Uses):				
Transfers In/(Out):				
Transfer from Other Funds	-	-	-	2
Payments from Unemployment Reserve	-	-	-	(10,087)
Capital Leases (Non-Budgeted)	-	-	-	15,250,000
Total Other Financing Sources/(Uses)	-	-	-	15,239,915

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	ORIGINAL BUDGET	JUNE 30, 2021		VARIANCE FINAL TO ACTUAL
		BUDGET TRANSFERS	FINAL BUDGET	
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses)	(4,894,081)	(818,078)	(5,712,159)	174,690
Fund Balances, July 1 (As Restated)	16,042,918	-	16,042,918	16,042,918
Fund Balances, June 30	11,148,837	(818,078)	10,330,759	16,217,608
				5,886,849

RECAPITULATION OF FUND BALANCE

Prior Year Encumbrances	\$ 818,078	
	<u>\$ 818,078</u>	
Restricted Fund Balance:		
Capital Reserve		\$ 3,591,451
Maintenance Reserve		3,783,135
Excess Surplus		571,465
Excess Surplus Designated for Subsequent Year's Expenditures Reserve for Unemployment Claims		1,354,400
Assigned Fund Balance:		700,718
Designated for Subsequent Year's Expenditures		497,000
Year-End Encumbrances		2,107,414
Unassigned Fund Balance		<u>3,612,025</u>
Subtotal		16,217,608
Reconciliation to Governmental Funds Statements (GAAP):		
Last State Aid Payments Not Recognized on GAAP Basis		<u>(959,401)</u>
Fund Balance per Governmental Funds (GAAP)		<u>\$ 15,258,207</u>

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2021**

	JUNE 30, 2021				VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources	\$ -	\$ 83,178	\$ 83,178	\$ 49,426	\$ 33,752
State Sources	217,313	19,890	237,203	179,959	57,244
Federal Sources	2,158,997	209,048	2,368,045	1,897,553	470,492
<b>Total Revenues</b>	<b>2,376,310</b>	<b>312,116</b>	<b>2,688,426</b>	<b>2,126,938</b>	<b>561,488</b>
Expenditures:					
Instruction:					
Salaries of Teachers	400,437	22,016	422,453	154,551	267,902
Other Salaries for Instruction	190,000	-	190,000	183,660	6,340
Purchased Professional - Educational Services	163,683	30,627	194,310	137,630	56,680
Other Purchased Services (400-500 Series)	784,516	15,800	800,316	751,415	48,901
General Supplies	77,041	147,915	224,956	223,754	1,202
Textbooks	13,380	-	13,380	12,984	396
<b>Total Instruction</b>	<b>1,629,057</b>	<b>216,358</b>	<b>1,845,415</b>	<b>1,463,994</b>	<b>381,421</b>
Support Services:					
Salaries of Other Professional Staff	91,547	-	91,547	80,474	11,073
Personal Services - Employee Benefits	52,231	1,684	53,915	32,021	21,894
Purchased Educational Services	203,483	29,705	233,188	129,039	104,149
Other Purchased Services (400-500 Series)	6,750	26,500	33,250	24,027	9,223
Supplies and Materials	393,242	(21,133)	372,109	372,106	3
Scholarships Awarded	-	125	125	125	-
Student Activities	-	38,877	38,877	35,985	2,892
Chromebook Repairs	-	20,000	20,000	20,000	-
<b>Total Support Services</b>	<b>747,253</b>	<b>95,758</b>	<b>843,011</b>	<b>693,777</b>	<b>149,234</b>
<b>Total Expenditures</b>	<b>2,376,310</b>	<b>312,116</b>	<b>2,688,426</b>	<b>2,157,771</b>	<b>530,655</b>
<b>Total Outflows</b>	<b>2,376,310</b>	<b>312,116</b>	<b>2,688,426</b>	<b>2,157,771</b>	<b>530,655</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ (30,833)	\$ 30,833
Fund Balance, July 1 (Restated)				131,314	
Fund Balance, June 30				\$ 100,481	
Recapitulation:					
Restricted:					
Scholarships				\$ 1,737	
Student Activities				95,820	
Technology Trust				2,924	
<b>Total Fund Balance</b>				<b>\$ 100,481</b>	

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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, 2021**

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

	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUND</b>
<b>Sources/Inflows of Resources:</b>		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 105,246,542	\$ 2,126,938
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	-	(232,307)
Prior Year	-	16,446
<p>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).</p>		
Current Year	(959,401)	-
Prior Year	1,048,779	-
<hr style="border: 1px solid black;"/>		
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 105,335,920</u>	<u>\$ 1,911,077</u>
<b>Uses/outflows of resources:</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 120,311,767	\$ 2,157,771
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.		
	-	(215,861)
<hr style="border: 1px solid black;"/>		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 120,311,767</u>	<u>\$ 1,941,910</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 EIGHT FISCAL YEARS\*

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.1178%	0.11545%	0.001099%	0.11205%	0.11316%	0.10947%	0.11176%	0.11418%
School District's proportionate share of the net pension liability	\$ 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	\$ 8,003,492	\$ 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	240.02%	247.03%	265.85%	350.03%	403.66%	325.18%	276.89%	#DIV/0!
Plan fiduciary net position as a percentage of the total pension liability	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).

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.

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

	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 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	(1,288,642)	(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	\$ 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	16.28%	14.03%	12.87%	12.87%	13.49%	12.44%	12.19%	11.38%

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.



MARLBORO TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHERS' PENSION AND ANNUITY FUND (TPAF)  
 LAST EIGHT FISCAL YEARS\*

	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%	100.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 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	\$ 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	\$ 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%
	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).

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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**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 FOUR FISCAL YEARS\***

	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service Cost	\$ 6,383,515	\$ 5,933,498	\$ 6,714,057	\$ 8,097,639
Interest Cost	5,306,673	6,301,650	6,693,991	5,777,624
Difference Between Expected and Actual Experiences	43,868,713	(21,846,270)	(14,278,906)	-
Changes of Assumptions	44,412,882	2,195,812	(18,254,354)	(24,149,315)
Contributions: Member	128,297	134,008	147,009	155,485
Gross Benefit Payments	(4,232,825)	(4,520,760)	(4,253,539)	(4,222,551)
Net Change in Total OPEB Liability	95,867,255	(11,802,062)	(23,231,742)	(14,341,118)
Total OPEB Liability (Beginning)	147,270,335	159,072,397	182,304,139	196,645,257
Total OPEB Liability (Ending)	<u>\$ 243,137,590</u>	<u>\$ 147,270,335</u>	<u>\$ 159,072,397</u>	<u>\$ 182,304,139</u>
State's Covered Employee Payroll***	\$ 48,554,614	\$ 48,159,949	\$ 49,811,257	\$ 48,836,607
Net OPEB Liability as a Percentage of Payroll	501%	306%	319%	373%

\*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, 2021**

**Teachers Pension and Annuity Fund (TPAF)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

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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, 2021**

	Title I	Title IIA	Title III	Title IV	I.D.E.A. Part B - Basic
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	146,183	70,497	22,853	10,615	1,020,725
<b>Total Revenues</b>	<b>\$ 146,183</b>	<b>\$ 70,497</b>	<b>\$ 22,853</b>	<b>\$ 10,615</b>	<b>\$ 1,020,725</b>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 74,465	\$ -	\$ -	\$ -	\$ -
Other Salaries for Instruction	-	-	-	-	183,660
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	6,975	-	3,540	-	725,100
General Supplies	11,556	-	4,765	10,615	21,014
Textbooks	-	-	-	-	-
<b>Total Instruction</b>	<b>92,996</b>	<b>-</b>	<b>8,305</b>	<b>10,615</b>	<b>929,774</b>
Support Services:					
Salaries of Other Professional Staff	39,281	29,025	12,168	-	-
Personal Services - Employee Benefits	8,702	2,211	931	-	14,050
Purchased Educational Services	1,500	39,261	-	-	61,313
Other Purchased Services (400-500 Series)	-	-	-	-	14,527
Supplies and Materials	3,704	-	1,449	-	1,061
Scholarships Awarded	-	-	-	-	-
Student Activities	-	-	-	-	-
<b>Total Support Services</b>	<b>53,187</b>	<b>70,497</b>	<b>14,548</b>	<b>-</b>	<b>90,951</b>
<b>Total Expenditures</b>	<b>\$ 146,183</b>	<b>\$ 70,497</b>	<b>\$ 22,853</b>	<b>\$ 10,615</b>	<b>\$ 1,020,725</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**YEAR ENDED JUNE 30, 2021**

	I.D.E.A Part B. -		Coronavirus Relief		
	Preschool	ESSER I	Digital Divide	Fund	ESSER II
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	47,247	129,571	9,418	150,360	278,234
<b>Total Revenues</b>	<b>\$ 47,247</b>	<b>\$ 129,571</b>	<b>\$ 9,418</b>	<b>\$ 150,360</b>	<b>\$ 278,234</b>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ 10,832	\$ -	\$ -	\$ 58,246
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-
General Supplies	10,782	117,910	9,418	-	-
Textbooks	-	-	-	-	-
<b>Total Instruction</b>	<b>10,782</b>	<b>128,742</b>	<b>9,418</b>	<b>-</b>	<b>58,246</b>
Support Services:					
Salaries of Other Professional Staff	-	-	-	-	-
Personal Services - Employee Benefits	-	829	-	-	4,456
Purchased Educational Services	26,965	-	-	-	-
Other Purchased Services (400-500 Series)	9,500	-	-	-	-
Supplies and Materials	-	-	-	150,360	215,532
Scholarships Awarded	-	-	-	-	-
Student Activities	-	-	-	-	-
<b>Total Support Services</b>	<b>36,465</b>	<b>829</b>	<b>-</b>	<b>150,360</b>	<b>219,988</b>
<b>Total Expenditures</b>	<b>\$ 47,247</b>	<b>\$ 129,571</b>	<b>\$ 9,418</b>	<b>\$ 150,360</b>	<b>\$ 278,234</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2021**

	ESSER III	Nonpublic Textbooks	Nonpublic Auxiliary	Nonpublic Handicapped	Nonpublic Nursing
<b>Revenues:</b>					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	12,984	30,926	72,602	23,365
Federal Sources	11,850	-	-	-	-
<b>Total Revenues</b>	<b>\$ 11,850</b>	<b>\$ 12,984</b>	<b>\$ 30,926</b>	<b>\$ 72,602</b>	<b>\$ 23,365</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 11,008	\$ -	\$ -	\$ -	\$ -
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional - Educational Services	-	-	30,926	72,602	23,365
Other Purchased Services (400-500 Series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	12,984	-	-	-
<b>Total Instruction</b>	<b>11,008</b>	<b>12,984</b>	<b>30,926</b>	<b>72,602</b>	<b>23,365</b>
<b>Support Services:</b>					
Salaries of Other Professional Staff	-	-	-	-	-
Personal Services - Employee Benefits	842	-	-	-	-
Purchased Educational Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Scholarships Awarded	-	-	-	-	-
Student Activities	-	-	-	-	-
<b>Total Support Services</b>	<b>842</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 11,850</b>	<b>\$ 12,984</b>	<b>\$ 30,926</b>	<b>\$ 72,602</b>	<b>\$ 23,365</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2021**

	Nonpublic Security	Other Local	Grants	Student Activity	Scholarships	Technology Trust	Totals
<b>Revenues:</b>							
Local Sources	\$ -	\$ 24,149	\$ 25,277	\$ -	\$ -	\$ -	\$ 49,426
State Sources	40,082	-	-	-	-	-	179,959
Federal Sources	-	-	-	-	-	-	1,897,553
<b>Total Revenues</b>	<b>\$ 40,082</b>	<b>\$ 24,149</b>	<b>\$ 25,277</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,126,938</b>
<b>Expenditures:</b>							
<b>Instruction:</b>							
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154,551
Other Salaries for Instruction	-	-	-	-	-	-	183,660
Purchased Professional - Educational Services	9,405	1,332	-	-	-	-	137,630
Other Purchased Services (400-500 Series)	9,662	6,138	-	-	-	-	751,415
General Supplies	21,015	16,679	-	-	-	-	223,754
Textbooks	-	-	-	-	-	-	12,984
<b>Total Instruction</b>	<b>40,082</b>	<b>24,149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,463,994</b>
<b>Support Services:</b>							
Salaries of Other Professional Staff	-	-	-	-	-	-	80,474
Personal Services - Employee Benefits	-	-	-	-	-	-	32,021
Purchased Educational Services	-	-	-	-	-	-	129,039
Other Purchased Services (400-500 Series)	-	-	-	-	-	-	24,027
Supplies and Materials	-	-	-	-	-	-	372,106
Scholarships Awarded	-	-	-	-	125	-	125
Student Activities	-	-	35,985	-	-	-	35,985
Chromebook Repairs	-	-	-	-	-	20,000	20,000
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>35,985</b>	<b>125</b>	<b>20,000</b>	<b>-</b>	<b>693,777</b>
<b>Total Expenditures</b>	<b>\$ 40,082</b>	<b>\$ 24,149</b>	<b>\$ 35,985</b>	<b>\$ 125</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ 2,157,771</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>(10,708)</b>	<b>(125)</b>	<b>(20,000)</b>	<b>-</b>	<b>(30,833)</b>
<b>Fund Balance, July 1 (Restated)</b>	<b>-</b>	<b>-</b>	<b>106,528</b>	<b>1,862</b>	<b>22,924</b>	<b>-</b>	<b>131,314</b>
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 95,820</b>	<b>\$ 1,737</b>	<b>\$ 2,924</b>	<b>\$ -</b>	<b>\$ 100,481</b>

**F. Capital Projects Fund**

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**MARLBORO TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2021**

Revenues and Other Financing Sources:		
Debt Issuance	\$	-
		-
Total Revenues and Other Financing Sources		-
Expenditures and Other Financing Uses:		
Construction Services		-
		-
Total Expenditures and Other Financing Uses		-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses		-
		-
Fund Balance, July 1		9,892
		9,892
Fund Balance, June 30		9,892

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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 CAPITAL LEASES  
YEAR ENDED JUNE 30, 2021**

<b>PURPOSE</b>	<b>AMOUNT OF ORIGINAL ISSUE</b>	<b>INTEREST RATE</b>	<b>AMOUNT OUTSTANDING JUNE 30, 2020</b>	<b>ISSUED</b>	<b>RETIRED</b>	<b>AMOUNT OUTSTANDING JUNE 30, 2021</b>
2017 Buses - 5						
2017 Vans - 2	\$ 591,300	2.04%	\$ 120,357	-	\$ 120,357	\$ -
2019 Buses - 5						
2018 Vans - 2	605,500	1.90%	244,845	-	121,261	123,584
2020 Buses - 5						
2019 Vans - 2	619,460	2.99%	371,872	-	120,319	251,553
2020 Buses - 5						
2020 Mid- Bus -2	641,869	4.21%	509,304	-	123,554	385,750
2020 Backhoe - 1	100,286	3.70%	78,922	-	18,651	60,271
School Energy Savings Program	15,250,000	1.91%	-	15,250,000	534,000	14,716,000
	Total		\$ 1,325,300	\$ 15,250,000	\$ 1,038,142	\$ 15,537,158

EXHIBIT I-3

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2021

	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Financing Sources (Uses)				
Transfers Out	\$ -	\$ -	\$ -	\$ (2)
Total Other Financing Sources (Uses)	-	-	-	(2)
Fund Balance, July 1,	2	-	2	2
Fund Balance, June 30,	2	\$ -	2	\$ -

**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)*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>FISCAL YEAR ENDING JUNE 30,</b>										
Governmental Activities:										
Net Investment in Capital Assets	\$ 62,049,590	\$ 59,941,496	\$ 56,705,311	\$ 53,404,182	\$ 50,326,279	\$ 46,102,941	\$ 42,859,895	\$ 33,963,210	\$ 35,261,244	\$ 33,753,591
Restricted	10,111,542	12,135,960	8,864,994	7,557,935	8,452,497	7,011,165	4,746,088	4,519,095	10,326,308	8,358,487
Unrestricted (Deficit)	(22,201,488)	(25,789,241)	(25,179,420)	(23,944,710)	(24,472,923)	(22,639,727)	(21,372,114)	7,517,414	(555,386)	3,992,694
Total Governmental Activities	\$ 49,959,644	\$ 46,288,215	\$ 40,390,885	\$ 37,017,407	\$ 34,305,853	\$ 30,474,379	\$ 26,233,869	\$ 45,999,719	\$ 45,032,166	\$ 46,104,772
Business-Type Activities:										
Net Investment in Capital Assets	\$ 643,180	\$ 398,368	\$ 434,932	\$ 359,653	\$ 283,050	\$ 310,817	\$ 345,397	\$ 356,607	\$ 327,170	\$ 346,104
Unrestricted (Deficit)	\$ 145,163	\$ 221,324	\$ 208,489	\$ 313,554	\$ 419,183	\$ 366,103	\$ 326,063	\$ 316,850	\$ 332,455	\$ 275,783
Total Business-Type Activities	\$ 788,343	\$ 619,692	\$ 643,421	\$ 673,207	\$ 702,233	\$ 676,920	\$ 671,460	\$ 673,457	\$ 659,625	\$ 621,887
District-Wide:										
Net Investment in Capital Assets	\$ 62,692,770	\$ 60,339,864	\$ 57,140,243	\$ 53,763,835	\$ 50,609,329	\$ 46,413,758	\$ 43,205,292	\$ 34,319,817	\$ 35,588,414	\$ 34,099,695
Restricted	10,111,542	12,135,960	8,864,994	7,557,935	8,452,497	7,011,165	4,746,088	4,519,095	10,326,308	8,358,487
Unrestricted (Deficit)	(22,056,325)	(25,567,917)	(24,970,931)	(23,631,156)	(24,053,740)	(22,273,624)	(21,046,051)	7,834,264	(222,931)	4,268,477
Total District Net Position	\$ 50,747,987	\$ 46,907,907	\$ 41,034,306	\$ 37,690,614	\$ 35,008,086	\$ 31,151,299	\$ 26,905,329	\$ 46,673,176	\$ 45,691,791	\$ 46,726,659

Source: CAFR Schedule A-1  
 \*For the year ended June 30, 2021, Net Position was reclassified due to GASB 84

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 54,934,279	\$ 43,349,934	\$ 48,815,408	\$ 51,708,987	\$ 47,360,063	\$ 41,644,306	\$ 38,812,737	\$ 35,881,684	\$ 35,852,547	\$ 33,531,658
Special Education	12,531,759	12,287,361	11,981,547	12,742,003	18,829,601	16,686,291	15,383,599	13,183,818	12,785,736	12,042,092
Other Special Education	-	-	-	-	-	-	-	-	-	-
Other Instruction	4,140,535	3,600,544	3,503,123	4,188,185	4,137,725	4,301,453	3,899,995	2,933,164	3,582,539	3,301,696
Nonpublic School Programs	-	286,134	243,995	235,282	211,020	200,447	169,623	157,033	172,750	203,155
Support Services:										
Tuition	1,869,785	2,424,369	1,818,934	2,721,703	2,187,105	2,167,769	2,146,011	2,002,297	1,912,991	2,368,247
Student & Instruction Related Services	14,133,175	14,255,555	15,683,290	15,861,888	14,567,546	12,977,350	12,185,012	10,450,249	9,653,363	10,087,917
Other Administrative Services	2,468,197	2,428,303	2,315,074	2,425,769	2,100,175	2,044,009	2,067,140	1,915,430	2,332,646	1,790,584
Central Services	930,376	-	-	-	-	-	-	-	-	-
Administration Information Technology Services	1,542,022	-	-	-	-	-	-	-	-	-
School Administrative Services	6,056,017	6,607,534	7,131,493	7,588,044	7,369,904	6,607,572	6,087,140	5,423,443	5,327,474	4,797,935
Business Administrative Services	-	2,050,207	2,110,212	2,284,908	2,084,087	1,945,728	1,651,141	1,366,947	1,500,784	1,162,287
Plant Operations & Maintenance	11,815,389	12,625,527	11,304,569	10,341,640	9,133,883	9,152,971	8,867,078	8,762,802	7,482,966	7,232,758
Pupil Transportation	6,118,795	6,287,231	6,245,266	6,840,307	6,561,180	6,026,469	5,813,977	5,242,739	5,096,709	4,579,899
Interest & Other Charges	999,690	104,170	315,204	316,498	452,578	468,930	319,931	489,239	900,164	1,955,197
Total Governmental Activities Expenses	117,540,019	106,306,869	111,468,115	117,255,214	114,994,867	104,223,295	97,403,384	87,808,845	86,600,669	83,053,425
Business-Type Activities:										
Food Service	1,461,043	1,195,016	1,516,656	1,428,476	1,378,373	1,466,306	1,334,342	1,327,727	1,325,245	1,334,350
Total Business-Type Activities Expense	1,461,043	1,195,016	1,516,656	1,428,476	1,378,373	1,466,306	1,334,342	1,327,727	1,325,245	1,334,350
Total District Expenses	\$ 119,001,062	\$ 107,501,885	\$ 112,984,771	\$ 118,683,690	\$ 116,373,240	\$ 105,689,601	\$ 98,737,726	\$ 89,136,572	\$ 87,925,914	\$ 84,387,775
Program Revenues:										
Charges for Services	\$ -	\$ -	\$ 196,257	\$ 207,364	\$ 730,708	\$ 813,455	\$ 701,446	\$ 709,437	\$ 792,518	\$ 567,578
Operating Grants & Contributions	32,156,605	21,684,063	25,501,358	31,677,611	19,511,076	13,224,474	15,722,047	8,968,290	10,214,131	8,611,870
Total Governmental Activities Program Revenues	32,156,605	21,684,063	25,697,615	31,884,975	20,241,784	14,037,929	16,423,493	9,677,727	11,006,649	9,179,448
Business-Type Activities:										
Charges for Services:										
Food Service	9,886	798,963	1,167,379	1,104,299	1,151,499	1,175,748	1,107,644	1,072,939	1,077,688	1,100,313
Operating Grants & Contributions	1,619,808	372,324	319,491	295,151	252,551	296,018	224,701	268,620	285,295	247,918
Total Business Type Activities Program Revenues	1,629,694	1,171,287	1,486,870	1,399,450	1,404,050	1,471,766	1,332,345	1,341,559	1,362,983	1,348,231
Total District Program Revenues	\$ 33,786,299	\$ 22,855,350	\$ 27,184,485	\$ 33,284,425	\$ 21,645,834	\$ 15,509,695	\$ 17,755,838	\$ 11,019,286	\$ 12,369,632	\$ 10,527,679
Net (Expense)/Revenue:										
Governmental Activities	\$ (85,383,414)	\$ (84,622,806)	\$ (85,770,500)	\$ (85,370,239)	\$ (94,753,083)	\$ (90,185,366)	\$ (80,979,891)	\$ (78,131,118)	\$ (75,594,020)	\$ (73,873,977)
Business-Type Activities	168,651	(23,729)	(29,786)	(29,026)	25,677	5,460	(1,997)	13,832	37,738	13,881

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total District-Wide Net Expense	\$ (85,214,763)	\$ (84,646,535)	\$ (85,800,286)	\$ (85,399,265)	\$ (94,727,406)	\$ (90,179,906)	\$ (80,981,888)	\$ (78,117,286)	\$ (75,556,282)	\$ (73,860,096)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 77,647,155	\$ 74,806,764	\$ 73,339,965	\$ 71,901,926	\$ 71,178,461	\$ 68,007,538	\$ 63,742,279	\$ 62,607,136	\$ 62,003,011	\$ 63,521,724
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	3,988,230	4,108,601
Grants & Contributions	10,438,465	11,864,800	12,312,729	12,804,932	22,994,948	22,025,896	15,176,417	12,230,385	11,741,062	11,791,157
Investment Earnings	-	96,993	70,168	12,021	4,409	6,466	1,238	2,299	4,722	7,990
Tuition Received	42,285	-	-	-	-	-	-	-	-	-
Miscellaneous Income	94,906	648,458	353,426	318,528	460,430	444,343	265,860	376,994	287,533	458,708
Transfers In/Out	-	-	-	-	364	-	-	-	-	-
Special and Extraordinary Items	(10,087)	9,892	-	-	-	-	-	-	-	-
Total Governmental Activities	88,212,724	90,520,136	89,143,978	88,081,793	98,584,557	94,425,876	83,035,220	79,098,671	78,024,558	79,888,180
Business-Type Activities:										
Transfers In/Out	-	-	-	-	(364)	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	(364)	-	-	-	-	-
Total District-Wide	\$ 88,212,724	\$ 90,520,136	\$ 89,143,978	\$ 88,081,793	\$ 98,584,193	\$ 94,425,876	\$ 83,035,220	\$ 79,098,671	\$ 78,024,558	\$ 79,888,180
Change in Net Position:										
Governmental Activities	\$ 2,829,310	\$ 5,897,330	\$ 3,373,478	\$ 2,711,554	\$ 3,831,474	\$ 4,240,510	\$ 2,055,329	\$ 967,553	\$ 2,430,538	\$ 6,014,203
Business-Type Activities	168,651	(23,729)	(29,786)	(29,026)	25,313	5,460	(1,997)	13,832	37,738	13,881
Total District	\$ 2,997,961	\$ 5,873,601	\$ 3,343,692	\$ 2,682,528	\$ 3,856,787	\$ 4,245,970	\$ 2,053,332	\$ 981,385	\$ 2,468,276	\$ 6,028,084

Source: CAFR, Schedule A-2  
 \*For the year ended June 30, 2021, Net Position was reclassified due to GASB 84

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

UNAUDITED

(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Restricted	\$ 10,001,169	\$ 12,126,067	\$ 8,864,994	\$ 7,557,935	\$ 8,452,495	\$ 6,953,497	\$ 4,746,086	\$ 4,795,192	\$ 10,183,855	\$ 10,300,412
Committed	-	818,077	908,957	1,896,829	1,118,967	242,378	517,490	4,503,346	789,215	403,012
Assigned	2,604,414	402,521	835,393	1,245,372	888,591	540,646	750,000	992,624	500,000	630,660
Unassigned	2,652,624	936,669	1,038,202	992,719	903,675	919,683	876,841	795,403	660,052	784,573
Total General Fund	\$ 15,258,207	\$ 14,283,334	\$ 11,647,546	\$ 11,692,855	\$ 11,363,728	\$ 8,656,204	\$ 6,890,417	\$ 11,086,565	\$ 12,133,122	\$ 12,118,657
All Other Governmental Funds:										
Restricted	\$ 100,481	\$ -	\$ -	\$ -	\$ 2	\$ 2	\$ 1	\$ 115,467	\$ 118,713	\$ 72,663
Assigned	9,892	9,894	1	-	-	-	-	-	23,740	23,740
Total All Other Governmental Funds	\$ 110,373	\$ 9,894	\$ 1	\$ -	\$ 2	\$ 2	\$ 1	\$ 115,467	\$ 142,453	\$ 96,403

Source: CAFR Schedule B-1  
 \*For the year ended June 30, 2021, Net Position was reclassified due to GASB 84

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

UNAUDITED  
(Modified Accrual Basis of Accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues</b>										
Tax Levy	\$ 77,647,155	\$ 77,899,993	\$ 76,407,655	\$ 74,946,312	\$ 75,124,406	\$ 71,949,171	\$ 67,591,705	\$ 66,488,993	\$ 65,991,241	\$ 67,630,325
Tuition Charges	42,285	91,375	93,066	88,000	606,909	689,506	585,678	596,323	681,099	457,329
Interest Earnings	-	96,993	70,168	12,021	4,409	6,466	1,238	2,299	7,990	7,990
Miscellaneous	144,332	557,083	500,126	472,232	612,823	601,292	416,609	490,108	439,017	568,957
State Sources	27,709,742	26,240,330	25,823,795	25,037,696	23,196,629	22,224,133	20,849,007	19,816,041	20,540,165	18,587,145
Federal Sources	1,703,483	1,421,187	1,217,006	1,228,913	1,337,067	1,412,385	1,391,022	1,382,634	1,374,962	1,815,326
<b>Total Revenues</b>	<b>107,246,997</b>	<b>106,306,961</b>	<b>104,111,816</b>	<b>101,785,174</b>	<b>100,882,243</b>	<b>96,882,953</b>	<b>90,835,259</b>	<b>88,776,398</b>	<b>89,031,206</b>	<b>89,067,072</b>
<b>Expenditures</b>										
Instruction:										
Regular Instruction	28,836,295	27,199,430	41,820,235	41,130,875	35,630,723	33,944,530	33,169,906	33,143,569	34,507,618	31,277,541
Special Education Instruction	6,578,215	7,709,567	10,728,069	10,559,175	15,039,938	14,445,520	13,762,862	13,100,162	12,734,860	11,966,246
Other Special Instruction	-	-	-	-	-	-	-	-	-	-
Other Instruction	2,173,464	2,345,824	3,160,636	3,495,268	3,399,493	3,708,410	3,482,093	2,933,164	3,582,539	3,301,696
Nonpublic School Programs	-	186,422	220,140	196,355	211,020	200,447	169,623	157,033	172,750	203,155
Support Services:										
Tuition	1,289,722	1,579,523	1,641,104	2,271,409	2,187,105	2,167,769	2,146,011	2,002,297	1,837,754	2,322,438
Health Services	944,148	8,944,485	14,058,779	13,154,581	11,643,131	11,211,083	10,877,061	10,357,292	9,596,830	10,003,638
Student & Instruction Related Services	1,702,489	1,582,088	2,088,738	2,024,436	1,872,872	1,907,246	1,961,794	1,915,430	2,127,575	1,790,584
Other Administrative Services	641,746	-	-	-	-	-	-	-	-	-
Central Services	-	-	-	-	-	-	-	-	-	-
Administration Information	1,063,641	-	-	-	-	-	-	-	-	-
Technology Services	4,177,261	4,145,824	6,377,101	6,280,594	6,094,720	5,942,388	5,635,859	5,534,629	5,671,913	4,745,110
School Administrative Services	-	1,335,750	1,903,905	1,906,880	1,685,804	1,715,773	1,487,463	1,366,947	1,500,784	1,162,287
Business Administrative Services	9,696,852	8,225,778	10,199,365	8,630,659	8,223,459	8,615,602	8,490,966	8,762,802	7,482,966	7,232,758
Plant Operations & Maintenance	4,220,563	4,490,046	6,070,587	6,007,250	5,653,980	5,471,156	5,432,651	5,264,514	5,119,521	4,947,471
Pupil Transportation	32,888,069	16,235,458	-	-	-	-	-	-	-	-
Unallocated Benefits	-	-	-	-	-	-	-	-	-	-
On Behalf TP&F Pension and Social Security Contributions	-	14,209,907	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital Outlay	19,236,715	2,478,550	2,758,209	2,682,832	2,447,888	1,705,224	3,895,259	862,739	558,174	45,809
Debt Service:										
Principal	-	3,745,000	3,650,000	3,570,000	4,465,000	4,375,000	4,235,000	4,105,000	3,510,000	3,385,000
Interest & Other Charges	-	35,933	99,716	151,235	211,250	280,731	400,325	510,673	1,264,963	1,379,785
<b>Total Expenditures</b>	<b>122,253,677</b>	<b>104,449,585</b>	<b>104,776,584</b>	<b>102,061,549</b>	<b>98,766,383</b>	<b>95,690,879</b>	<b>95,146,873</b>	<b>90,016,251</b>	<b>89,743,484</b>	<b>84,320,408</b>
<b>Other Financing Sources/(Uses):</b>										
Capital Leases (Non-budgeted)	15,250,000	742,155	619,460	605,500	591,300	573,714	-	166,310	459,396	349,686
Par Amount of Bonds	-	-	-	-	-	-	-	-	18,700,000	-
Deposit to Refunding Escrow	-	-	-	-	-	-	-	-	(18,522,724)	-
ESIP Reimbursements	-	9,892	-	-	-	-	-	-	-	-
Payments from Unemployment Reserve	(10,087)	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	23,740	136,121	6,405
Transfers Out	-	-	-	-	-	-	-	(23,740)	(136,121)	(6,405)
<b>Total Other Financing Sources/(Uses)</b>	<b>15,239,913</b>	<b>752,047</b>	<b>619,460</b>	<b>605,500</b>	<b>591,664</b>	<b>573,714</b>	<b>-</b>	<b>166,310</b>	<b>636,672</b>	<b>349,686</b>
<b>Net Change in Fund Balances</b>	<b>\$ 233,233</b>	<b>\$ 2,609,423</b>	<b>\$ (45,308)</b>	<b>\$ 329,125</b>	<b>\$ 2,707,524</b>	<b>\$ 1,765,788</b>	<b>\$ (43,116,141)</b>	<b>\$ (1,073,543)</b>	<b>\$ (75,606)</b>	<b>\$ 5,096,350</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>										
	3.76%	3.71%	3.78%	4.97%	5.11%	5.12%	5.40%	5.62%	5.99%	

Source: CAFR Schedule B-2

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

<b>FISCAL YEAR ENDING JUNE 30,</b>	<b>INTEREST ON INVESTMENTS</b>	<b>INTEREST ON CAPITAL RESERVE</b>	<b>TUITION OTHER</b>	<b>RENTALS</b>	<b>CONTRIBUTIONS</b>	<b>STUDENT FEES</b>	<b>MISCELLANEOUS</b>	<b>TOTAL</b>
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
2013	4,594	128	681,099	20,000	23,321	111,419	244,212	1,084,773
2012	7,970	20	457,329	20,000	94,933	110,249	308,080	998,581
<b>Total</b>	<b>\$ 187,742</b>	<b>\$ 18,564</b>	<b>\$ 3,931,570</b>	<b>\$ 679,808</b>	<b>\$ 573,965</b>	<b>\$ 1,002,038</b>	<b>\$ 2,228,959</b>	<b>\$ 8,622,646</b>

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*

<b>FISCAL YEAR ENDED JUNE 30</b>	<b>VACANT LAND</b>	<b>RESIDENTIAL</b>	<b>FARM REG.</b>	<b>QFARM</b>	<b>COMMERCIAL</b>	<b>INDUSTRIAL</b>	<b>APARTMENT</b>	<b>TOTAL ASSESSED VALUE</b>	<b>LESS: TAX EXEMPT PROPERTY</b>	<b>PUBLIC UTILITIES</b>	<b>NET VALUATION TAXABLE</b>	<b>TOTAL DIRECT SCHOOL TAX RATE</b>	<b>ACTUAL (COUNTY EQUALIZED) VALUE</b>
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	465,858,500	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	444,232,200	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	7,014,335,162
2013	85,204,500	6,098,106,500	36,036,300	1,036,500	424,031,300	86,543,000	18,619,900	6,749,578,000	-	-	6,749,578,000	0.985	7,013,277,224
2012	92,253,900	6,234,133,500	38,633,800	1,045,400	420,120,900	88,021,900	18,619,900	6,892,829,300	-	9,347,304	6,902,176,604	0.956	7,266,197,377

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  
 Note: There was a property revaluation in 2009-2010

**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	LIBRARY/OTHER	MONMOUTH COUNTY		
	BASIC RATE (a)	DEBT SERVICE (b)							
2021	1.088	0.000	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	
2013	0.928	0.057	0.985	0.433	0.360	0.028	0.299	2.105	
2012	0.898	0.058	0.956	0.403	0.348	0.016	0.295	2.018	

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	2021		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Marlboro Plaza Associates	\$ 45,843,100	1	0.630%
Union Hill Nine	30,549,100	2	0.420%
TMC Marlboro	22,500,000	3	0.309%
Amerian Plaza (Costco)	20,927,500	4	0.287%
Marlboro Commons LLC	12,713,100	5	0.175%
Marlboro Lowe's Retail Center	12,501,900	6	0.172%
CRP Royal Pines, LLC	12,132,100	7	0.167%
Brooks Edge Plaza, LLC	11,697,300	8	0.161%
Marlboro Business Park LLC	11,043,800	9	0.152%
Manzo Business Ventures LLC	9,046,000	10	0.124%
Total	<u>\$ 188,953,900</u>		<u>2.595%</u>

Taxpayer	2012		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Marlboro Plaza Associates	\$ 36,642,400	1	0.530%
Union Hill Nine	30,549,100	2	0.440%
TMC Marlboro	26,618,200	3	0.380%
Marlboro Lowe's Retail Center	15,147,900	4	0.220%
CRP Royal Pines, LLC	15,041,100	5	0.220%
Brooks Edge Plaze, LLC	14,952,400	6	0.220%
Dave Marion Corporation	9,568,300	7	0.140%
Marlboro Plaza (Kohls)	9,522,200	8	0.140%
Sunrise Assisted Living	9,300,000	9	0.130%
Samuel Associates	8,802,000	10	0.131%
Total	<u>\$ 176,143,600</u>		<u>2.551%</u>

Source: District CAFR & 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	
2021	\$ 79,200,098	\$ 79,200,098	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%	-
2013	65,991,241	65,991,241	100.00%	-
2012	67,630,325	67,630,325	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			TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME (a) PER CAPITA (a)	
	GENERAL OBLIGATION BONDS	CAPITAL LEASES				
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	
2013	28,145,000	763,222	28,908,222.00	0.22%	62,901	
2012	30,325,000	683,699	31,008,699.00	0.20%	61,997	

**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	DEDUCTIONS				
2021	\$ -	\$ -		\$ -	N/A	N/A
2020	-	-		-	N/A	69,073
2019	3,745,000	-		3,745,000	0.05%	68,155
2018	7,395,000	-		7,395,000	0.10%	67,250
2017	10,965,000	-		10,965,000	0.15%	66,357
2016	15,430,000	-		15,430,000	0.22%	65,475
2015	19,805,000	-		19,805,000	0.28%	64,606
2014	24,040,000	-		24,040,000	0.36%	63,748
2013	28,145,000	-		28,145,000	0.42%	62,901
2012	30,325,000	-		30,325,000	0.44%	61,997

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, 2021**  
**UNAUDITED**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Marlboro Township	\$ 42,255,103	100.00%	\$ 42,255,103.00
Other Debt:			
Marlboro Township Water Utility	28,346,192	100.00%	28,346,192.00
Marlboro Township Recreation and Swim Utility	1,029,000	100.00%	1,029,000.00
Western Monmouth Utility Authority	6,828,683	49.82%	3,401,776.72
Freehold Regional High School	5,205,000	24.07%	1,252,885.14
Monmouth County	557,986,966	6.25%	<u>34,868,605.51</u>
Subtotal, Overlapping Debt			111,153,562.37
Marlboro Township School District Direct Debt			<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 111,153,562.37</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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 242,839,100	\$ 236,619,058	\$ 227,313,937	\$ 217,215,595	\$ 209,420,562	\$ 215,940,803	\$ 212,525,058	\$ 212,938,098	\$ 217,289,143	\$ 218,239,335
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	28,145,000	30,325,000
Legal Debt Margin	\$ 242,839,100	\$ 232,608,720	\$ 219,763,453	\$ 209,820,595	\$ 198,455,562	\$ 200,510,803	\$ 192,720,058	\$ 188,898,098	\$ 189,144,143	\$ 187,914,335
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	1.69%	3.32%	3.40%	5.24%	7.15%	9.32%	11.29%	12.95%	13.90%

Legal Debt Margin Calculation

	2020	2019	2018
Equalized Valuation Basis	\$ 8,269,400,966	\$ 8,014,823,105	\$ 7,999,685,880
Average Equalized Valuation of Taxable Property	\$ 242,839,100	\$ 242,839,100	\$ 242,839,100
Debt Limit (3% of Average Equalization Value) Net Bonded School Debt	\$ 72,851,730	\$ 72,851,730	\$ 72,851,730
Legal Debt Margin	\$ 242,839,100	\$ 242,839,100	\$ 242,839,100

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**

<b>YEAR</b>	<b>POPULATION (a)</b>	<b>PERSONAL INCOME (b)</b>	<b>PER CAPITA PERSONAL INCOME (c)</b>	<b>UNEMPLOYMENT RATE (d)</b>
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%
2013	40,673	-	62,901	6.80%
2012	40,506	-	61,997	6.20%

**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**

	2021		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Marlboro Township Board of Education	829	1	N/A
Marlboro Township	275	2	N/A
Shop Rite	247	3	N/A
Kohls	212	4	N/A
Costco	215	5	N/A
Freehold Regional Board of Education	183	6	N/A
First Student	179	7	N/A
Whole Foods	152	8	N/A
Hobby Lobby	98	9	N/A
Whole Foods Market	75	10	N/A
<b>Total</b>	<b>2,465</b>		<b>N/A</b>

	2012		
	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
<b>Total</b>	<b>2,206</b>		<b>N/A</b>

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	308	347	348	369	330	325	319	350	340	341
Special Education	112	60	60	66	108	109	101	129	141	142
Support Services:										
Student & Instruction Related Services	165	176	175	178	182	169	167	128	120	120
General Administration	8	8	8	8	8	9	8	8	8	8
School Administrative Services	41	42	42	42	37	37	37	37	37	37
Central Services	16	15	14	14	14	14	14	12	12	12
Plant Operations & Maintenance	88	88	88	88	90	88	88	81	83	79
Pupil Transportation	91	87	87	91	99	91	91	90	90	90
<b>Total</b>	<b>829</b>	<b>823</b>	<b>822</b>	<b>856</b>	<b>868</b>	<b>842</b>	<b>825</b>	<b>835</b>	<b>831</b>	<b>829</b>

**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				
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	-3.50%	96.39%
2013	5,528	84,410,347	15,270	8.98%	532	1:23	1:24	5,455	5,106	-2.62%	93.60%
2012	5,638	78,998,733	14,012	2.27%	523	1:23	1:24	5,602	5,402	-2.62%	96.43%

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>DISTRICT BUILDINGS</b>										
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	218	212	237	248	398	394	379	366	400	424
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	525	518	527	502	457	507	546	566	578	653
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	466	456	476	534	577	556	535	490	499	539
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	486	457	497	512	471	473	517	520	551	536
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	469	456	497	572	592	587	620	634	633	616
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	624	623	642	598	546	572	620	642	669	690
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	994	995	1,058	1,059	1,031	1,077	1,105	1,142	1,132	1,124
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	807	800	845	901	925	939	963	1,018	1,048	1,069

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

<u>DISTRICT BUILDINGS</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</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, 2021:

- 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)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Defino Central Elementary	N/A	\$ 293,651	\$ 84,749	\$ 280,625	\$ 53,151	\$ 28,070	\$ 158,167	\$ 36,931	\$ 78,466	\$ 132,945	\$ 27,381
Frank Dugan Elementary	N/A	322,298	139,047	47,559	43,051	64,625	527,859	397,007	79,559	32,424	29,230
David C. Abbott Early Learning Center	N/A	110,538	52,896	76,101	71,417	24,967	33,120	38,664	79,978	31,595	20,385
Marlboro Elementary	N/A	188,844	56,691	96,752	35,738	120,542	32,632	29,061	83,644	116,040	32,506
Marlboro Memorial Middle School	N/A	111,742	111,029	54,374	86,669	153,591	91,475	24,334	107,463	22,484	185,685
Marlboro Middle School	N/A	300,383	130,569	616,552	142,134	139,900	94,582	159,413	284,385	174,036	270,866
Robertsville Elementary	N/A	196,147	99,767	65,162	44,612	90,448	65,240	188,114	275,712	109,340	83,240
Asher Holmes Elementary	N/A	153,606	72,823	186,888	52,944	33,001	31,800	181,916	86,182	233,122	52,770
Total School Facilities		1,677,209	747,571	1,424,013	529,716	655,144	1,034,875	1,055,440	1,075,389	851,986	702,063
Other Facilities		-	257,468	32,622	31,201	42,380	328,703	53,948	84,605	27,852	25,579
Grand Total		\$ 1,677,209	\$ 1,005,039	\$ 1,456,635	\$ 560,917	\$ 697,524	\$ 1,363,578	\$ 1,109,388	\$ 1,159,994	\$ 879,838	\$ 727,642

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2021**  
**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, 2021  
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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## 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, 2021, 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 February 7, 2022.

#### **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 may exist that have not been identified.

### **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  
February 7, 2022

## 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

We have audited the Marlboro Township School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2021. 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.

#### Management's Responsibility

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Marlboro Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; Title 2 U.S. Code of Federal Regulations (CFR) 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. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the School District's compliance.

## Opinion on Each Major Federal and State Program

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, 2021.

## Report on Internal Control Over Compliance

Management of the Marlboro Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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  
February 7, 2022



MARLBORO TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2020	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	BALANCE, JUNE 30, 2021			
													UN-EARNED REVENUE	(ACCOUNTS RECEIVABLE)	DUETO GRANTOR	
<b>U.S. Department of Health and Human Services</b> Passed Through New Jersey Department of Human Services: National School Lunch Program (SEMAP) Medical Assistance Program (SEMAP)	89.778 89.778	200SN5MAP 200SN5MAP	100-034-7540-211 100-034-7540-211	\$ 21,291 20,299	7/1/20-6/30/21 7/1/19-6/30/20	- (1,732)	- (1,732)	18,691 1,732	(21,791)	-	-	-	\$ -	\$ (3,100)	-	
<b>Total U.S. Department of Health and Human Services</b>						(1,732)	-	20,423	(21,791)	-	-	-	-	(3,100)	-	
<b>U.S. Department of Agriculture</b> Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster: National School Lunch Program COVID-19 National School Lunch Program COVID-19 National School Lunch Program Healthy Hunger-Free Kids Act COVID-19 National School Lunch Program IHFEKA Food Distribution Program (Noncash Assistance) Food Distribution Program (Noncash Assistance)	10.555 10.555 10.555 10.555 10.555 10.555	20 NJ304N1099 20 NJ304N1099 20 NJ304N1099 20 NJ304N1099 20 NJ304N1099 20 NJ304N1099	100-010-3350-028 100-010-3350-028 100-010-3350-028 100-010-3350-026 100-010-3350-026 Unavailable Unavailable	1,299,281 606,821 1,187 21,234 1,199 179,636 134,497	7/1/20-6/30/21 7/1/20-6/30/21 7/1/20-6/30/21 7/1/20-6/30/21 7/1/20-6/30/21 7/1/20-6/30/21 7/1/19-6/30/20	- - (40,458) - - 25,172	- - - - - -	1,134,144 606,821 1,187 19,764 1,199 179,636 -	(1,299,281) (60,096) - (21,234) (1,199) (156,988) (25,172)	- - - - - -	- - - - - -	- - - - - -	- - -	(165,137) - - (1,470) - 22,648 -	-	
<b>Total U.S. Department of Agriculture</b>						(15,286)	-	1,452,299	(1,563,972)	-	-	-	-	22,648	(166,607)	-
<b>Total U.S. Department of Education</b> Passed Through New Jersey Department of Education: CARES - ESSER I CARES - ESSER II CARES - ESSER III	84.425 84.425 84.425	S42SD200027 S42SD200027 S42SD200027	100-034-5120-513 100-034-5120-513 100-034-5120-513	129,897 482,998 1,084,744	3/13/20-9/30/22 3/13/20-9/30/22 3/11/21-9/30/24	- - -	- - -	125,794 - -	(129,571) (278,234) (11,850)	- - -	- - -	- - -	- -	(3,777) (278,234) (11,850)	-	
<b>Total U.S. Department of Education</b>						-	-	125,794	(619,655)	-	-	-	-	(295,861)	-	
<b>Elementary and Secondary Education Act (E.S.E.A.)</b> Title I - Part A Title I - Part A Title II - Part A, Supporting Effective Instruction Title II - Part A, Supporting Effective Instruction Title III - English Language Acquisition Title III - English Language Acquisition Title IV - Student Support & Academic Enrichment	84.010A 84.010A 84.367A 84.367A 84.366A 84.366A 84.424	S010A200030 S010A190030 S367A200029 S367A190029 S365A200030 S365A190030 S424A200031	100-034-5064-194 100-034-5064-194 100-034-5065-290 100-034-5065-290 100-034-5064-187 100-034-5064-187 100-034-5064-187	147,340 146,825 74,675 72,288 21,023 21,292 10,843	7/1/20-6/30/21 7/1/19-6/30/20 7/1/20-6/30/21 7/1/19-6/30/20 7/1/20-6/30/21 7/1/19-6/30/20 7/1/20-6/30/21	(103,808) (103,808) (30,230) (30,230) (12,370) (12,370) (372,053)	- -	55,529 159,337 43,064 30,230 3,732 12,370 16,102	(146,183) (146,183) (70,497) (70,497) (22,853) (22,853) (10,615)	- - - - - - -	- - -	- -	(90,654) - (27,433) (27,433) - - -	-		
<b>Total U.S. Department of Education</b>						(518,461)	-	1,605,130	(1,737,775)	-	-	-	-	(651,106)	-	
<b>Special Education Cluster:</b> I.D.E.A. Part B I.D.E.A. Part B	84.027 84.027	H027A200100 H027A190100	100-034-5065-016 100-034-5065-016	1,035,929 1,156,723	7/1/20-6/30/21 7/1/19-6/30/20	- (362,678)	- -	813,063 362,678	(1,020,725) (1,020,725)	- -	- -	- -	- -	(207,662) (207,662)	-	
<b>Total Special Education Cluster</b>						(372,053)	-	1,219,988	(1,067,972)	-	-	-	-	(220,037)	-	
<b>Total U.S. Department of Education</b>						(518,461)	-	1,605,130	(1,737,775)	-	-	-	-	(651,106)	-	
<b>U.S. Department of Treasury</b> Passed Through New Jersey Department of Treasury: Bridging the Digital Divide Coronavirus Relief Fund	21.019 21.019	SLT0007 SLT0007	100-034-5120-516 100-034-5120-517	9,528 150,360	3/13/20-9/30/23 3/13/20-9/30/23	- -	- -	6,528 150,360	(9,418) (149,360)	- -	- -	- -	110 110	- -	-	
<b>Total U.S. Department of Treasury</b>						-	-	159,888	(159,778)	-	-	-	110	-	-	
<b>Total Expenditures of Federal Awards</b>						\$ (535,479)	\$ -	\$ 3,220,740	\$ (3,483,316)	\$ -	\$ -	\$ -	\$ -	\$ 22,738	\$ (820,813)	\$ -

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, 2021

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2020	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT DUE TO PRIOR YEARS' BALANCES	ADJUSTMENT	MEMO	
											UNEARNED REVENUE	BUDGETARY RECEIVABLE
<b>New Jersey Department of Education:</b>												
General Fund:												
State Aid Public:												
Special Education Categorical Aid	495-034-5120-089	\$ 3,375,643	7/1/20-6/30/21	-	-	\$ 3,375,643	(\$ 3,375,643)	\$ -	\$ -	\$ -	\$ -	\$ 332,027
Security Aid	495-034-5120-084	349,448	7/1/20-6/30/21	-	-	349,448	(349,448)	-	-	-	-	34,372
Equalization Aid	495-034-5120-078	4,839,850	7/1/20-6/30/21	-	-	4,839,850	(4,839,850)	-	-	-	-	476,046
Total State Aid Public:		8,564,941		-	-	8,564,941	(8,564,941)	-	-	-	-	842,445
Transportation Aid	495-034-5120-014	1,189,069	7/1/20-6/30/21	-	-	1,189,069	(1,189,069)	-	-	-	-	116,956
Extracurricular Aid	495-034-5120-044	523,696	7/1/20-6/30/21	-	-	523,696	(523,696)	-	-	-	-	523,696
Additional Non-Public Transportation Aid	495-034-5120-044	479,207	7/1/20-6/30/21	(479,207)	-	479,207	-	-	-	-	(625,696)	-
Additional Non-Public Transportation Aid	495-034-5120-014	49,590	7/1/20-6/30/21	(16,360)	-	16,360	(49,590)	-	-	-	(49,590)	49,590
Reimbursed TPAF Social Security Contributions	495-034-5094-003	2,982,304	7/1/20-6/30/21	(143,014)	-	2,835,717	(2,982,304)	-	-	-	(146,587)	2,982,304
TPAF - Post Retirement	495-034-5094-003	2,980,542	7/1/20-6/30/21	-	-	143,014	-	-	-	-	-	-
Medical (Noncash Assistance)	495-034-5094-001	3,370,184	7/1/20-6/30/21	-	-	3,370,184	(3,370,184)	-	-	-	-	3,370,184
Contributions (Noncash Assistance)	495-034-5094-002	10,754,151	7/1/20-6/30/21	-	-	10,754,151	(10,754,151)	-	-	-	-	10,754,151
TPAF - Long-Term Disability	495-034-5094-004	6,470	7/1/20-6/30/21	-	-	6,470	(6,470)	-	-	-	-	6,470
Insurance (Noncash Assistance)				(638,581)	-	27,359,113	(27,440,405)	-	-	-	(719,873)	959,401
Total General Fund:												27,440,405
Special Revenue Fund:												
Non-Public Aid:												
Textbooks	100-034-5120-064	13,380	7/1/20-6/30/21	-	-	13,380	(12,984)	-	-	-	-	396
Nursing Services	100-034-5120-070	23,460	7/1/20-6/30/21	5,487	-	23,460	(23,365)	-	(5,487)	-	-	95
Technology Aid	100-034-5120-373	10,764	7/1/20-6/30/21	5,799	-	2,131	(5,799)	-	(5,799)	-	-	-
Security Aid	100-034-5120-309	40,250	7/1/20-6/30/21	4,973	-	40,250	(40,082)	-	(2,131)	-	-	168
Arts and Activities (Chapter 192):												
Compensatory Education	100-034-5120-067	57,480	7/1/20-6/30/21	-	-	57,480	(20,902)	-	-	-	-	36,578
English as a Second Language	100-034-5120-067	38,937	7/1/20-6/30/21	3,407	-	3,894	(1,776)	-	(7,301)	-	-	1,776
Transportation	100-034-5120-068	1,654	7/1/20-6/30/21	662	-	165	(827)	-	(827)	-	-	-
Handicapped Services (Chapter 193):												
Examination and Classification	100-034-5120-066	44,029	7/1/20-6/30/21	(733)	-	733	(8,248)	-	-	-	-	8,248
Examination and Classification	100-034-5120-066	32,886	7/1/20-6/30/21	5,072	-	44,029	(35,660)	-	-	-	-	8,369
Corrective Speech	100-034-5120-066	14,582	7/1/20-6/30/21	3,008	-	14,582	(11,848)	-	(8,360)	-	-	2,734
Supplementary Instruction	100-034-5120-066	33,998	7/1/20-6/30/21	1,295	-	33,998	(25,094)	-	(4,557)	-	-	8,904
Total Special Revenue Fund:												179,959
<b>New Jersey Department of Agriculture:</b>												
Enterprise Fund:												
National School Lunch Program	100-010-3350-023	55,836	7/1/20-6/30/21	(3,846)	-	42,319	(55,836)	-	-	-	(13,517)	-
National School Lunch Program	100-010-3350-023	13,832	7/1/20-6/30/21	(3,846)	-	3,846	-	-	-	-	-	-
Total Enterprise Fund:												55,836
Total State Financial Assistance:												27,676,200
State Financial Assistance Programs not Subject to Calculation for Major Program Determination:												
TPAF - Post Retirement	495-034-5094-001	\$ 3,370,184	7/1/20-6/30/21	-	-	\$ -	\$ 3,370,184	-	-	-	-	\$ -
Contributions (Noncash Assistance)	495-034-5094-002	10,754,151	7/1/20-6/30/21	-	-	10,754,151	-	-	-	-	-	10,754,151
Insurance (Noncash Assistance)	495-034-5094-004	6,470	7/1/20-6/30/21	-	-	6,470	(6,470)	-	-	-	-	6,470
<b>Total State Financial Assistance Subject to Calculation for Major Program Determination:</b>												\$ (13,545,395)
Total Special Revenue Fund:												179,959
Total Enterprise Fund:												55,836
Total State Financial Assistance:												27,676,200

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, 2021**

**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, 2021. 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, 2021.

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2021 (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 \$89,378 for the general fund and (\$215,861) 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	\$ 21,791	\$ 27,529,783	\$ 27,551,574
Special Revenue Fund	1,681,692	179,959	1,861,651
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Food Service Fund	1,563,972	55,836	1,619,808
Total Awards & Financial Assistance	<u>\$ 3,267,455</u>	<u>\$ 27,765,578</u>	<u>\$ 31,033,033</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, 2021.

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

**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:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	Special Education Cluster:
84.027	H027A160100	I.D.E.A. Part B
84.173	H173A160114	I.D.E.A. Preschool
_____	_____	_____
84.425	S425D200027	CARES - ESSER
_____	_____	_____
10.555	201NJ304N1099	Child Nutrition Cluster

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, 2021**

**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?  X  yes   no

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 New Jersey OMB Circular 15-08?   yes  X  no

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
<u>495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>



**MARLBORO TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

**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 & QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

**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, 2021**

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.