

**MARLBORO TOWNSHIP SCHOOL DISTRICT**

Marlboro, New Jersey  
County of Monmouth

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2022**



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

**YEAR ENDED JUNE 30, 2022**

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



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**INTRODUCTORY SECTION**

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# Marlboro Township Public Schools

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March 17, 2023

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

Dear Board Members/Citizens:

It is with pleasure that we submit the Annual Comprehensive Financial Report (ACFR) of the Marlboro Township School District for the fiscal year ended June 30, 2022. This ACFR includes the district's basic financial statements prepared in accordance with generally accepted accounting principles for local governments. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the district. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities, including the Management's Discussion and Analysis, have been included.

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

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

the independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the Single Audit Section of this report.

## **SCHOOL DISTRICT ORGANIZATION**

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

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

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

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

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

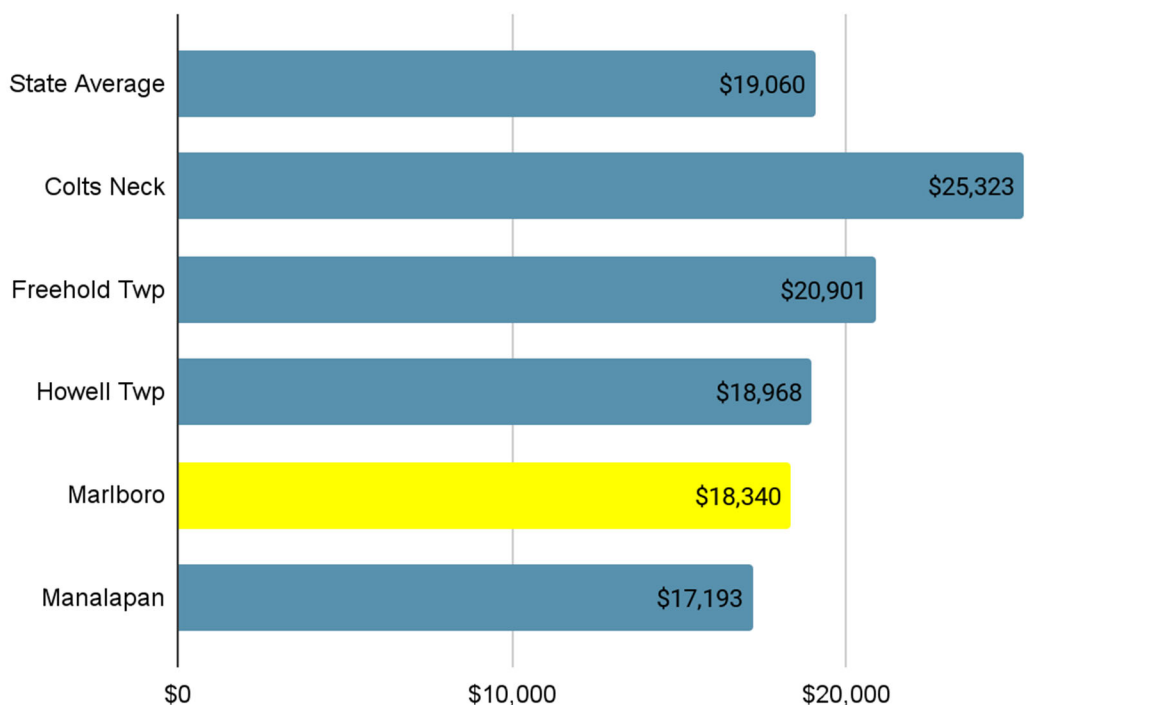
To maintain effective communications, the district uses several options to ensure a consistent flow of information to our stakeholders. During the budget review process, information about the budget is presented at board meetings and posted on the district website. Additional communication tools utilized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

## **EDUCATIONAL PROGRAM**

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

In 2022, the New Jersey Department of Education released its Taxpayers' Guide to Education Spending (formerly the Comparative Spending Guide) for all school districts in the state. The guide compares districts with those similar in enrollment/configurations. The information on expenditures was taken from certified budgets on file with the State Department of Education. This report shows that the district spends \$18,340 per pupil while the average cost for similar districts is \$19,060. According to the report, per pupil costs range from a low of \$10,109 to a high of \$28,062 for districts of this type. Of the 73 other K-8 schools districts in the state with enrollments exceeding 751 children, Marlboro ranks 33rd lowest in total cost per pupil.

**2022 BUDGETARY COST PER PUPIL - TAXPAYERS' GUIDE TO EDUCATION SPENDING**



**Pre-K and Kindergarten**

David C. Abbott Early Learning Center - an early learning center for preschool handicapped and kindergarten of 232 students. There is one administrator and a staff of 79 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 485 students. There are two administrators and staff of 65 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 530 students. There are two administrators

and a staff of 92 teachers, instructional assistants and school aides. The school is located on Rt. 79 in Marlboro.

Frank Dugan Elementary - a grade K-5 school of 648 students. There are two administrators and a staff of 87 teachers, instructional assistants and school aides. The school is located on Topanemus Road in Marlboro.

Marlboro Elementary - a grade K-5 school of 468 students. There are two administrators and a staff of 69 teachers, instructional assistants and school aides. The school is located on School Road West in Marlboro.

Robertsville Elementary - a grade 1-5 school of 452 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 980 students. There are three administrators and a staff of 139 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 761 students. There are three administrators and a staff of 99 teachers, instructional assistants and school aides. This school is located on Nolan Road in the Morganville section of Marlboro.

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

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

## **DISTRICT-WIDE CURRICULUM**

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

### ***English Language Arts***

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

### ***Mathematics***

The overarching goal of mathematics education in the Marlboro Township Public Schools is to provide students with higher order thinking skills, mathematical 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. At the middle school level, the inclusion of a semester-long civics component is also embedded into the curriculum. These key study areas are integrated to explain the past, the current human condition, and future possibilities.

### ***World Languages***

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

### ***Arts***

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

### ***Library Media Center***

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

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

### ***Health, Family Life, Drug and Alcohol, Physical Education***

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

### **Educational Technology**

It is the vision of the district to provide a technologically enriched environment in which our students can perform at optimum levels.

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

### **Response to Intervention (RTI)**

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

### **Elementary Gifted and Talented**

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

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

### **Middle School Honors**

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

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

### **English as a Second Language (ESL)**

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



### **Applied Technology**

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

### **New Jersey Student Learning Standards**

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

### **Staff Development**

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

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

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

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

### **Technology**

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

To assist teachers in presenting lessons and resources to an entire class by way of one computer in a classroom, 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 2021-2022 fiscal year with an enrollment of 4,556 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 2017-18 through 2021-22.

<u>School Year</u>	<u>Enrollment as of October 15</u>	<u>% Change</u>
2017-18	4,862	- 1.06%
2018-19	4,779	- 1.71%
2019-20	4,739	- .08%
2020-21	4,543	- 4.14%
2021-22	4,522	- .46%

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 had increased significantly in 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 multiple bond referendums in prior years, which were unfortunately defeated. In 2019-20 the district embarked on an ESIP (Energy Savings Incentive Program) to address the major building issues that we were trying to take care of in the referendums. This project is almost completed. Unfortunately there were delays due to COVID during the 2020-21 and 2021-22 school years. This ESIP included replacement of HVAC systems; replacement of hot water heater; replacement of boiler, pump and expansion tank; main distribution panel, panel boards, feeder replacement; fire alarm replacement; ATC head ends; and the installation of solar panels.

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

## MAJOR INITIATIVES

### ***Asher Holmes Elementary School***

The priorities of maintaining student safety and security, as well as rigor in the instructional program, were the cornerstones of the 2021-22 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 21-22 school year, class sections changed slightly within the building per grade level, with a net gain of one section from the 20-21 school year. 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 21-22 school year, allocations reflected a continued commitment to supporting ELA and Math instruction and the new programs purchased through the curriculum department. Additionally, purchases of educational resources were also made to enhance small group and differentiated instruction within the mathematics and literacy sections at each grade level.

Purchases of district-approved classroom furniture such as bookcases, file cabinets, and easels were made, as well as new rugs and small group instruction tables within classrooms which were lacking. We are almost at the end of purchasing new classroom desks, chairs, and chair gliders so that all classrooms contain new and matching furniture in great condition. Monies were also allocated and spent within the special areas of art, media literacy, music, PE, and health. Doing so provided monetary support for these programs within the school budget so that these programs could operate properly during the school year. Input from stakeholders across the staff proved useful in determining amounts needed in various supply accounts. Supplies that were ordered were confirmed to be valid needs prior to initiating the purchase process. Whenever possible, members of the staff continued to utilize existing resources to keep costs down. Lastly, monies were earmarked to support the installation of a new projector and sound system in our cafeteria. That project is set to be completed in November since there was a delay in being able to procure the necessary equipment which was ordered prior to the end of the 21-22 school year.

The 21-22 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 21-22 school year saw us return to normal in many ways, including returning to a regular in-person school day and masks becoming optional in schools in March. In February, Defino celebrated our Blue-Ribbon nomination, one of nine schools who were nominated in the state of New Jersey.

Defino Central School is lucky to have cutting edge technology and instructional resources to support student growth. We have Activeboards 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.

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

We budgeted, along with support from the cafeteria fund, to add a new projector, new tension screen and sound system in our cafeteria. This addition allows us to have a second area in our school that is a well-equipped space for parent meetings and assemblies.

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

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

With a return to some semblance of normalcy following the COVID-19 pandemic, the 2021-2022 academic school year for 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.

The 2021-2022 school year budget celebrates the following accomplishments:

- Infusing cutting edge classroom student furniture that transform traditional "desks in rows" classrooms to learning conducive environments where students have ownership;

- Continued 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;
- Continued replacement and upgrades of two-way radios that are paramount to our school's safety and security;
- Purchase and installation of security camera monitor so that the Vice Principal can monitor the building in addition to the Principal and Security Monitor;
- Purchase of floor mats to be kept in areas where students interact with water such as bathroom sinks, water fountains, and water bottle refilling stations;
- Purchase of a circuit machine and eCool laminator which allows for the school to make personalized clings that adorn the hallways, classrooms, and visitor areas of the school;
- Purchase of professional development resources to support an instructional goal in which building administration and teaching staff look to improve upon writing instruction in English Language Arts;
- 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;
- 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 2021-2022 budget cycle the David C. Abbott Early Learning Center's budget continued to evolve to meet the demands of a rigorous curriculum and to personalize learning for each of our students.

As our kindergarten program continued to develop, funds were used to insure that all classrooms were properly furnished and equipped. Everything from age-appropriate furniture to classroom supplies 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 consultation 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.

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

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. This proved invaluable as we had several classes that were required to utilize remote instruction.

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 2021-2022 school year were rooted in our school's shared vision and mission of preparing students to be leaders in a greater global society and economy. Specifically, the use of Chromebooks, interactive whiteboards and tablets, coupled with an array of online programs and materials aligned to the New Jersey Student Learning Standards (NJSLs), allow teachers to meet the district core principles. The district core principles include the following: data to drive instruction, use of online programs, small group instruction and student set learning goals. In addition, budgeting needs have been identified

to support district and building goals for social-emotional character development (SECD) as well as student mental health initiatives. Marlboro Elementary School is fortunate enough to be supported by the Marlboro Township Board of Education through the provision of instructional resources and technology aligned to our mission and vision. The 2021-2022 budget was prepared with the goal of supporting the aforementioned mission and vision. To achieve this goal, purchases were made to accomplish the aforementioned goals through completing the objectives outlined below.

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

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

Throughout the 2021-2022 school year, teachers, parents, students, and support personnel worked together to support a school environment centered on academic achievement and personal growth for students in grades six through eight. Adhering to district initiatives, the staff infused data-driven instruction, online tools, and technology into delivering the grade-level curriculum. Teachers have embraced 1:1 digital tools and other curriculum-appropriate resources to provide differentiated instruction and promote students' organizational skills and practices.

Promoting a positive school culture and climate continued to be a school-wide focus. Grade-level programs addressed the expectations of tolerance for others. School-wide events focused on school as a learning community; particularly during the Week of Respect and NJ School Violence Awareness Week.

Our athletic teams and extracurricular clubs continued to be widely supported by students and parents. Students participated in numerous clubs including the school newspaper, ping pong, ultimate frisbee, and health & fitness. Several students entered the Middle School Technology Association Competition last spring.

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

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

The Marlboro Memorial Middle School community worked collaboratively to support a school culture centered on academic and personal growth for all students in grades six through eight during the 2021-2022 school year. MMMS students excelled in Exploravision science competitions, essay writing competitions, and community service. In addition, the MMMS Boys' & Girls' Tennis Team won their league championship.

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

The 2021-2022 building goals centered on peer observation, continuation of the integration of instructional coaches, 21<sup>st</sup> 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***

In preparing students for post-pandemic learning, the Robertsville faculty worked collaboratively to provide a positive school culture based on reflective practices, inquiry, and professional learning. During the 2021-2022 school year, the budget is aligned with the district vision; we were resolute in our goals of utilizing data to drive instruction and best practices related to small group instruction in the general education classroom, expanding our Social Emotional Learning, and providing Tiered RTI instruction. Also, we focused on using digital tools to effectively differentiate instruction for all learners to close learning gaps associated with the pandemic.

The school budget effectively provided the faculty with resources to accomplish these challenging goals. Instructional materials were purchased to support the language arts program, including buying classroom libraries comprising multiple reading levels and consumable materials associated with district programs. In addition, IXL English Language Arts, a digital online resource was purchased to support learners at all levels and provide teachers with the ability to differentiate instruction based on students' varying needs. Throughout the school year, the faculty participated in workshops related to digital programs and data reporting to drive our instructional practices.

Daily building operational costs required the most significant expenditure in the 2021-2022 school budget. Due to substantial increases associated with all materials and shipping, each of these expenditures, copier paper, laminating film, printer ink, poster-making supplies, video news, maintenance contracts, health office supplies, and instructional materials, were purchased at prices significantly higher than in past years. Also, this year we continued the replacement of classroom furniture

## **DISTRICT-WIDE**

### ***Curriculum:***

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

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

### ***Technology:***

District-wide technology was used to increase productivity, enhance communication, and enrich curriculum and instruction. Throughout the year, all district administrators, teachers, and appropriate support staff had the use of a networked computer for e-mail and Internet access. All students had access to networked computers for Internet use in classrooms, media centers, and computer labs. Throughout the district, approximately 1,600 networked computers were in operation and a complete Local Area Network (LAN) was present in each school and in the administration building. These LANs are connected to a Wide Area Network (WAN). The internet service provider is Cablevision - Lightpath.

The district maintains a website that includes district information and separate sections for each school. These school sections include individual teacher pages. The district's website was recently updated for a better end-user experience.

**Special Services:**

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

**Business:**

Due to constant changes in the state fiscal environment, the business office continued to evolve during the 2021-22 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 fourth 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 21-22 school year due to COVID related delays.
- For the 20th consecutive year, the Association of School Business Officials (ASBO) International has awarded a Certificate of Excellence in Financial Reporting to the Marlboro Township Board of

Education for its Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2021. 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 2021-22 school year, the district continued to participate in an electricity cooperative, the collective purchasing of gasoline and diesel, and a shared service agreement for custodial services.
- After over 20 years with the accounting system EMAP, the district successfully transitioned to a new payroll system in Genesis. The Business Office will complete the transition of the entire accounting system in the 22-23 school year.
- During the 2021-22 school year, the district was able to begin the Robertsville roof which now completes the district's roof replacement projects.
- In conjunction with Marlboro Township, provided school resource officers and armed police officers in all of the Marlboro schools to help keep the students and staff safe.
- Chartwells' continues to provide catering for district-wide functions throughout the district. Additionally, Chartwells was able to successfully navigate free lunch for all students for the entire school year.
- In 2021-22 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 840 individuals during the 21-22 school year. The certificated staff numbered 507; 27 administrators and supervisors and 480 classroom teachers and educational support personnel (nurses, guidance counselors, child study team members, etc.). In addition, 306 others, including instructional assistants, school aides, bus drivers and attendants, secretaries and clerk-typists, and custodial and maintenance employees, were employed.

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

Since COVID, the district has struggled with having adequate substitute coverage in the schools. Beginning in the Spring of 2022, the District employed a contracted substitute service (ESS) to provide substitute teachers, instructional aides, cafeteria aides, nurses and secretaries. The district will continue with the service in 2022-23.

## **INTERNAL CONTROLS**

Management of the district is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the district are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state awards, the district also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws, regulations, contracts and grants related to those programs. This internal control system is also subject to periodic evaluation by the district management.



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

## **BUDGETARY CONTROLS**

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

## **ACCOUNTING SYSTEM AND REPORTS**

The District's financial statements are presented in conformity with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is an encumbrance accounting system that is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance at fiscal year end. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

## **AWARDS**

The district received the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the 20th consecutive year that the district received this award. In order to be awarded a Certificate of Excellence, the district published an easily readable and efficiently organized ACFR.

This report satisfied both Generally Accepted Accounting Principles in the United States of America and applicable legal requirements. A Certificate of Excellence is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Excellence Program's requirements and we will be submitting it to ASBO to determine its eligibility for another certificate.

## INDEPENDENT AUDIT

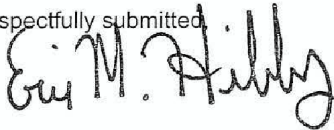
State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the board to perform the audit. In addition to meeting the requirements set forth in State Statutes, the audit also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

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

## ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Marlboro Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,

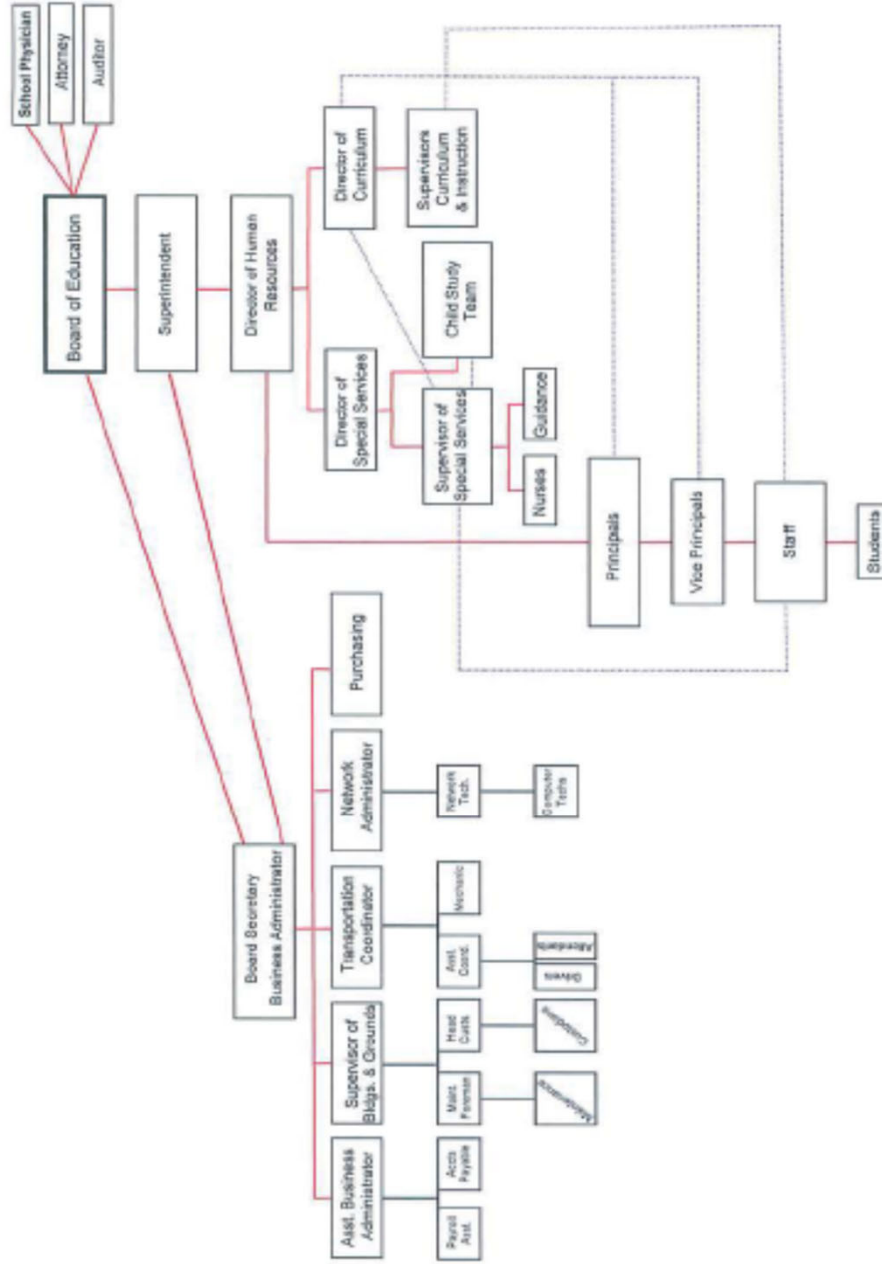


Dr. Eric M. Hibbs  
Superintendent of Schools



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, 2022**

**Members of the Board of Education**

**TERM EXPIRES**

Randy Heller, President	2022
Tricia Branch, Vice President	2022
Kathleen Amster	2024
Aldo Patruno	2024
Jessice Piernik	2024
Christina Russotto	2024
Susie Shrem	2023
Jennifer Silacci	2022
Jill Strafacci	2023

**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, 2022**

**AUDITOR/AUDIT FIRM**

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

**ATTORNEY**

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

**OFFICIAL DEPOSITORY**

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

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ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## Marlboro Township Board of Education

for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2021.

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



A handwritten signature in black ink, appearing to read 'Will Sutter'.

**William A. Sutter**  
President

A handwritten signature in black ink, appearing to read '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

#### *Opinions*

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

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

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirement prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

## **Auditor's Responsibility**

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

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

## ***Required Supplementary Information***

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

## ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Lakewood, New Jersey  
March 17, 2023

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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**MARLBORO TOWNSHIP SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022  
UNAUDITED**

This section of the Marlboro Township School District Board of Education's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

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 2021-2022 and the prior fiscal year 2020-2021 is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2022 are as follows:

- In total, net position of governmental activities increased \$5,009,713, which represents a 10.03% increase from 2021. Total net position of business-type activities increased \$405,328, which represents a 51.42% increase from 2021.
- General revenues accounted for \$89,508,012 in revenue or 69.13% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$39,966,458 or 30.87% of total revenue of \$129,474,470.
- Total assets of governmental activities increased by \$2,287,014 as cash and cash equivalents decreased by (\$4,823,753), receivables increased by \$497,310, restricted cash and cash equivalents increased by \$6,073,902, and total capital assets increased by \$539,555.
- Total liabilities of governmental activities decreased by (\$5,553,343) as non-current liabilities due beyond one year decreased by (\$6,274,148).
- The District had \$121,452,898 in governmental activity expenses; only \$36,954,599 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues from governmental activities (primarily property taxes) of \$89,508,012 were adequate to provide for these programs, resulting in an increase in net position for governmental activities of \$5,009,713.
- In the governmental funds, the general fund had \$111,873,236 in revenues and \$110,469,077 in expenditures. The general fund's fund balance increased by \$1,404,159 over 2021.

## USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

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

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

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

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

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

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

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

### ***Governmental Funds***

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

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

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

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

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

### ***Proprietary Funds***

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

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

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

### **Government-Wide Financial Analysis**

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

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position for June 30, 2022 and 2021, respectively:

**Net Position**  
**June 30, 2022**

	Governmental Activities		Business-Type Activities	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Assets</b>				
Current and Other				
Assets	\$ 19,902,965	\$ 18,155,506	\$ 840,294	\$ 453,001
Capital Assets, Net	78,126,303	77,586,748	686,377	643,180
Total Assets	<u>98,029,268</u>	<u>95,742,254</u>	<u>1,526,671</u>	<u>1,096,181</u>
<b>Deferred Outflows of Resources</b>				
Deferred Outflows				
Relating to Pension	2,641,500	4,345,539	-	-
Total Assets and Deferred Outflows of Resources	<u>2,641,500</u>	<u>4,345,539</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>				
Long-Term Liabilities	31,334,525	37,343,300	-	-
Other Liabilities	4,733,435	4,278,003	333,000	307,838
Total Liabilities	<u>36,067,960</u>	<u>41,621,303</u>	<u>333,000</u>	<u>307,838</u>
<b>Deferred Inflows of Resources</b>				
Deferred Inflows				
Relating to Pension	9,633,451	8,506,846	-	-
Total Liabilities and Deferred Inflows of Resources	<u>9,633,451</u>	<u>8,506,846</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>				
Net Investment in				
Capital Assets	62,545,871	62,049,590	686,377	643,180
Restricted	9,692,506	10,111,542	-	-
Unrestricted	(17,269,020)	(22,201,488)	507,294	145,163
Total Net Position	<u>\$ 54,969,357</u>	<u>\$ 49,959,644</u>	<u>\$ 1,193,671</u>	<u>\$ 788,343</u>

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

Restricted net position decreased \$419,036 from the prior year to \$9,692,506 at June 30, 2022.

Unrestricted net position may be used to meet the District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The (\$17,269,020) 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, 2022 and 2021. 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, 2022</u></b>		
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>Revenues:</b>			
Program Revenues:			
Charges for Services	\$ -	\$ 2,598,401	\$ 2,598,401
Operating Grants and Contributions	36,954,599	413,458	37,368,057
General Revenues:			
Property Taxes	79,200,098	-	79,200,098
Federal and State Aid	9,891,799	-	9,891,799
Miscellaneous	416,115	-	416,115
<b>Total Revenues</b>	<b>126,462,611</b>	<b>3,011,859</b>	<b>129,474,470</b>
<b>Expenses:</b>			
Instructional Services	75,993,640	-	75,993,640
Support Services	44,547,451	2,606,531	47,153,982
Interest and Other Charges	911,808	-	911,808
<b>Total Expenses</b>	<b>121,452,898</b>	<b>2,606,531</b>	<b>124,059,429</b>
Change in Net Position	5,009,713	405,328	5,415,041
Net Position, Beginning	49,959,644	788,343	50,747,987
<b>Net Position, Ending</b>	<b>\$ 54,969,357</b>	<b>\$ 1,193,671</b>	<b>\$ 56,163,028</b>
	<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
<b>Total Revenues</b>	<b>120,379,416</b>	<b>1,629,694</b>	<b>122,009,110</b>
<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
<b>Total Expenses</b>	<b>117,550,106</b>	<b>1,461,043</b>	<b>119,011,149</b>
Change in Net Position	2,829,310	168,651	2,997,961
Net Position, Beginning	47,130,334	619,692	47,750,026
<b>Net Position, Ending</b>	<b>\$ 49,959,644</b>	<b>\$ 788,343</b>	<b>\$ 50,747,987</b>

**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, 2022 and 2021 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

	<u>June 30, 2022</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2021	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 38,971,191	34.42%	\$ 1,383,217	3.68%
Undistributed	68,375,600	60.39%	2,946,612	4.50%
Capital Outlay	5,882,875	5.20%	(13,353,840)	-69.42%
<b>Total</b>	<b>\$ 113,229,666</b>	<b>100.00%</b>	<b>\$ (9,024,011)</b>	<b>-7.38%</b>

	<u>June 30, 2021</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2020	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 37,587,974	30.75%	\$ 146,730	0.39%
Undistributed	65,428,988	53.52%	4,680,130	7.70%
Capital Outlay	19,236,715	15.74%	16,758,165	676.13%
Debt Service:				
Principal	-	0.00%	(3,745,000)	-100.00%
Interest	-	0.00%	(35,933)	-100.00%
<b>Total</b>	<b>\$ 122,253,677</b>	<b>100.00%</b>	<b>\$ 17,804,092</b>	<b>17.05%</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 2021-2022 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 2021-2022 year.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.

Based on the financial results of 2021-2022, unassigned fund balance increased by \$65,285 to \$2,717,909 (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 \$405,328 in 2021-2022 as compared to a change in net position of \$168,651 in 2020-2021. The food service fund required no contributions from the Board in 2020-2021 or in the 2021-2022 year.

**Capital Assets**

At June 30, 2022 the District has capital assets of \$78,126,303, net of depreciation, which includes land, construction in progress, land improvements, buildings/construction, machinery and equipment.

	<u>June 30, 2022</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 6,849,273	\$ -
Construction In Progress	16,895,194	-
Buildings/Construction	50,730,410	176,316
Machinery and Equipment	3,651,426	510,061
Total	<u>\$ 78,126,303</u>	<u>\$ 686,377</u>
	<u>June 30, 2021</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 6,849,273	\$ -
Construction In Progress	16,895,194.00	-
Buildings/Construction	50,467,441	190,898
Machinery and Equipment	3,374,840	452,282
Total	<u>\$ 77,586,748</u>	<u>\$ 643,180</u>

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

**Debt Administration and Other Obligations**

As of June 30, 2022, the District had \$31,334,525 of outstanding debt. Of this amount, \$2,574,931 is for compensated absences, \$15,580,432 is for financed purchases, and \$13,179,162 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 2020, the district continued its cooperative pricing agreement with Marlboro Township, for the provision and performance of electric generation service for the benefit of the Marlboro Township taxpayers. The District continues with its participation in insurance pool for workers compensation insurance purchased from New Jersey School Insurance Group and the District's legal liability insurance is purchased from Zurich Insurance at significant savings from the previous year. The District is constantly looking for other costs savings measures, including exploring further opportunities for future purchases jointly with other districts within the Freehold Regional area.
- 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 20th consecutive year, the district was awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2021 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, 2022**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS:</b>			
Cash & Cash Equivalents	\$ 9,511,269	\$ 601,423	\$ 10,112,692
Receivables, Net (Note 4)	1,713,392	201,678	1,915,070
Inventory	-	37,193	37,193
Restricted Cash & Cash Equivalents	8,678,304	-	8,678,304
Capital Assets, Net (Note 5)			
Non-Depreciable	23,744,467	-	23,744,467
Depreciable	54,381,836	686,377	55,068,213
Total Assets	98,029,268	1,526,671	99,555,939
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	2,641,500	-	2,641,500
Total Deferred Outflow of Resources	2,641,500	-	2,641,500
<b>LIABILITIES:</b>			
Accounts Payable	1,581,190	229,929	1,811,119
Contracts Payable - Retainage	474,337	-	474,337
Due to Other Governments	1,432,819	-	1,432,819
Unearned Revenue	132,016	103,071	235,087
Accrued Interest	180,949	-	180,949
Accrued Salaries and Wages	2,303	-	2,303
Payroll Deductions and Withholdings	929,821	-	929,821
Noncurrent Liabilities (Note 7):			
Due Within One Year	1,296,268	-	1,296,268
Due in More Than One Year	30,038,257	-	30,038,257
Total Liabilities	36,067,960	333,000	36,400,960
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	9,633,451	-	9,633,451
Total Deferred Inflow of Resources	9,633,451	-	9,633,451
<b>NET POSITION:</b>			
Net Investment in Capital Assets	62,545,871	686,377	63,232,248
Restricted for:			
Capital Projects	3,592,451	-	3,592,451
Maintenance Reserve	4,285,135	-	4,285,135
Unemployment Compensation	800,718	-	800,718
Student Activities	91,899	-	91,899
Scholarship	1,737	-	1,737
Technology Trust	7,965	-	7,965
Excess Surplus	912,601	-	912,601
Unrestricted (Deficit)	(17,269,020)	507,294	(16,761,726)
Total Net Position	\$ 54,969,357	\$ 1,193,671	\$ 56,163,028

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

MARLBORO TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 50,709,036	\$ -	\$ 20,556,270	\$ -	\$ (30,152,766)	\$ -	\$ (30,152,766)
Special Education Instruction	20,562,075	-	7,803,659	-	(12,758,416)	-	(12,758,416)
Other Instruction	4,722,530	-	1,792,281	-	(2,930,249)	-	(2,930,249)
Support Services:							
Tuition	1,457,631	-	197,802	-	(1,259,829)	-	(1,259,829)
Student & Instruction Related Services	14,036,103	-	2,765,949	-	(11,270,153)	-	(11,270,153)
General Administrative	2,517,414	-	341,616	-	(2,175,799)	-	(2,175,799)
School Administrative Services	5,915,669	-	802,762	-	(5,112,907)	-	(5,112,907)
Central Services	915,556	-	124,242	-	(791,314)	-	(791,314)
Administrative Info. Technology	1,086,219	-	147,401	-	(938,818)	-	(938,818)
Plant Operations & Maintenance	11,703,677	-	1,484,221	-	(10,219,456)	-	(10,219,456)
Pupil Transportation	6,915,181	-	938,396	-	(5,976,784)	-	(5,976,784)
Interest & Other Charges	911,808	-	-	-	(911,808)	-	(911,808)
Total Governmental Activities	121,452,898	-	36,954,599	-	(84,498,299)	-	(84,498,299)
Business-Type Activities:							
Food Service	2,606,531	413,458	2,598,401	-	-	405,328	405,328
Total Business-Type Activities	2,606,531	413,458	2,598,401	-	-	405,328	405,328
Total Primary Government	\$ 124,059,429	\$ 413,458	\$ 39,553,000	\$ -	\$ (84,498,299)	\$ 405,328	\$ (84,092,971)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					79,200,098	-	79,200,098
Federal & State Aid Restricted					589,148	-	589,148
Federal & State Aid Not Restricted					9,302,651	-	9,302,651
Tuition Charges					118,549	-	118,549
Miscellaneous					297,566	-	297,566
Total General Revenues					89,508,012	-	89,508,012
Change In Net Position					5,009,713	405,328	5,415,041
Net Position - Beginning					49,959,644	788,343	50,747,987
Net Position - Ending					\$ 54,969,357	\$ 1,193,671	\$ 56,163,028

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, 2022

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	
<b>ASSETS</b>				
Cash & Cash Equivalents	9,921,438	\$ -	\$ -	\$ 9,921,438
Receivables, Net:				
Interfund Receivable	-	27,317	-	27,317
Due from Other Governments:				
Federal	3,577	874,444	-	878,021
State	744,027	-	-	744,027
Other	10,762	-	-	10,762
Other Accounts Receivable	61,251	19,331	-	80,582
Restricted Cash & Cash Equivalents	8,678,304	-	-	8,678,304
<b>Total Assets</b>	<b>\$ 19,419,358</b>	<b>\$ 921,092</b>	<b>\$ -</b>	<b>\$ 20,340,450</b>
<b>LIABILITIES &amp; FUND BALANCES</b>				
Liabilities:				
Cash Deficit	\$ -	\$ 410,169	\$ -	\$ 410,169
Accounts Payable	1,310,297	270,893	-	1,581,190
Contracts Payable - Retainage	465,755	8,582	-	474,337
Intergovernmental Payable:				
State	-	19,331	-	19,331
Interfund Payable	27,317	-	-	27,317
Unearned Revenue	21,500	110,516	-	132,016
Accrued Salaries and Wages	2,303	-	-	2,303
Payroll Deductions and Withholdings	929,821	-	-	929,821
<b>Total Liabilities</b>	<b>2,756,993</b>	<b>819,491</b>	<b>-</b>	<b>3,576,484</b>
Fund Balances:				
Restricted for:				
Capital Reserve	3,592,451	-	-	3,592,451
Maintenance Reserve	4,285,135	-	-	4,285,135
Excess Surplus	341,136	-	-	341,136
Excess Surplus Designated for Subsequent Year	571,465	-	-	571,465
Reserve for Unemployment Claims	800,718	-	-	800,718
Scholarships	-	1,737	-	1,737
Student Activities	-	91,899	-	91,899
Technology Trust	-	7,965	-	7,965
Assigned to:				
Designated for Subsequent Year	1,279,935	-	-	1,279,935
Other Purposes	3,073,617	-	-	3,073,617
Unassigned	2,717,909	-	-	2,717,909
<b>Total Fund Balances</b>	<b>16,662,366</b>	<b>101,601</b>	<b>-</b>	<b>16,763,967</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 19,419,359</b>	<b>\$ 921,092</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 \$140,451,947 and the accumulated depreciation is \$62,325,644.	78,126,303
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	2,641,500
Deferred Inflows Related to Pensions	(9,633,451)
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.	(180,949)
Accrued pension contributions for the June 30, 2022 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.	(1,413,488)
Long-term liabilities, including net pension liability, financed purchases and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(31,334,525)
<b>Net Position of Governmental Activities</b>	<b>\$ 54,969,357</b>

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2022**

	<b>MAJOR FUNDS</b>			<b>TOTAL GOVERNMENTAL FUNDS</b>
	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUND</b>	<b>CAPITAL PROJECTS FUND</b>	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 79,200,098	\$ -	\$ -	\$ 79,200,098
Tuition Charges	118,549	-	-	118,549
Miscellaneous	297,566	127,708	-	425,274
Total Local Sources	79,616,213	127,708	-	79,743,921
State Sources	30,724,491	211,054	-	30,935,545
Federal Sources	15,737	2,422,947	-	2,438,684
Total Revenues	110,356,441	2,761,709	-	113,118,150
Expenditures:				
Instruction:				
Regular Instruction	24,694,492	1,310,204	-	26,004,696
Special Education Instruction	10,544,679	-	-	10,544,679
Other Instruction	2,421,816	-	-	2,421,816
Support Services:				
Tuition	1,041,234	-	-	1,041,234
Attendance & Social Work Services	777,444	-	-	777,444
Health Services	1,030,187	-	-	1,030,187
Student & Instruction Related Services	7,357,582	861,237	-	8,218,819
General Administrative	1,798,272	-	-	1,798,272
School Administrative Services	4,225,757	-	-	4,225,757
Central Services	654,012	-	-	654,012
Administrative Information Technology	775,922	-	-	775,922
Plant Operations & Maintenance	8,732,051	-	-	8,732,051
Pupil Transportation	4,939,741	-	-	4,939,741
Unallocated Benefits	14,744,584	-	-	14,744,584
On Behalf TPAF Pension and Social Security Contributions	21,437,577	-	-	21,437,577
Capital Outlay	5,293,727	589,148	-	5,882,875
Total Expenditures	110,469,077	2,760,589	-	113,229,666
Excess/(Deficiency) of Revenues Over Expenditures	(112,636)	1,120	-	(111,516)
Other Financing Sources (Uses):				
Transfers In	9,892	-	-	9,892
Transfers Out	-	-	(9,892)	(9,892)
Financed Purchases (Non-Budgeted)	1,506,903	-	-	1,506,903
Total Other Financing Sources (Uses)	1,516,795	-	(9,892)	1,506,903
Net Changes in Fund Balances	1,404,159	1,120	(9,892)	1,395,387
Fund Balance, July 1	15,258,207	100,481	9,892	15,368,580
Fund Balance, June 30	\$ 16,662,366	\$ 101,601	\$ -	\$ 16,763,967

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, 2022**

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$	1,395,387
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
Depreciation Expense	\$	(3,113,457)
Capital Outlays		<u>3,653,012</u>
		539,555
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.		
		3,089,209
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.		
		1,463,629
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.		
Financed Purchase Proceeds		(1,506,903)
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 (+).		
		7,268
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>21,568</u>
Change in Net Position of Governmental Activities	\$	<u><u>5,009,713</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, 2022**

	<b>MAJOR FUNDS</b>
	<b>BUSINESS-TYPE</b>
	<b>ACTIVITIES -</b>
	<b>ENTERPRISE</b>
	<b>FUNDS</b>
	<b>FOOD</b>
	<b>SERVICE</b>
<b>ASSETS</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 601,423
Accounts Receivable:	
Federal	190,159
State	3,673
Other Receivables	7,846
Inventories	37,193
Total Current Assets	840,294
Noncurrent Assets:	
Capital Assets	1,274,936
Less: Accumulated Depreciation	(588,559)
Total Capital Assets, Net	686,377
Total Noncurrent Assets	686,377
Total Assets	1,526,671
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	229,929
Unearned Revenue	103,071
Total Current Liabilities	333,000
<b>NET POSITION</b>	
Net Investment in Capital Assets	686,377
Unrestricted	507,294
Total Net Position	\$ 1,193,671

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, 2022**

	<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 - Non-Reimbursable Programs	\$	373,026
Special Functions		24,363
Miscellaneous		16,069
		<hr/>
Total Operating Revenues		413,458
		<hr/>
Operating Expenses:		
Cost of Sales - Reimbursable Programs		892,754
Cost of Sales - Non-Reimbursable Programs		27,963
Salaries		1,217,169
Other Purchased Professional Services		210,315
Supplies and Materials		115,197
Depreciation		61,233
Management and Administrative Fees		81,900
		<hr/>
Total Operating Expenses		2,606,531
		<hr/>
Operating Income/(Loss)		(2,193,073)
		<hr/>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program		44,966
Federal Sources:		
National School Lunch Program		2,348,864
Food Distribution Program		204,571
		<hr/>
Total Nonoperating Revenues/(Expenses)		2,598,401
		<hr/>
Change in Net Position		405,328
Total Net Position - Beginning		788,343
		<hr/>
Total Net Position - Ending	\$	1,193,671
		<hr/>

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, 2022**

	<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	\$ 356,890
Payments to Employees	(1,217,169)
Payments to Suppliers	(1,045,470)
	(1,905,749)
Cash Flows From Noncapital Financing Activities:	
State Sources	44,966
Federal Sources	2,348,864
	2,393,830
Net Cash Provided by/(Used for) Operating Activities	(1,905,749)
Cash Flows From Noncapital Financing Activities:	
State Sources	44,966
Federal Sources	2,348,864
	2,393,830
Net Cash Provided by/(Used for) Noncapital Financing Activities	2,393,830
Cash Flows From Capital & Related Financing Activities:	
Purchases of Capital Assets	(104,430)
	(104,430)
Net Cash Provided by/(Used for) Capital & Related Financing Activities	(104,430)
Net Increase/(Decrease) in Cash & Cash Equivalents	383,651
Balances - Beginning of Year	217,772
Balances - End of Year	\$ 601,423
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:</b>	
Operating Income/(Loss)	\$ (2,193,073)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Depreciation	61,233
Food Distribution Program	204,571
(Increase)/Decrease in Accounts Receivable, Net	(21,134)
(Increase)/Decrease in Inventories	17,492
Increase/(Decrease) in Unearned Revenue	(35,434)
Increase/(Decrease) in Accounts Payable	60,596
	287,324
Total Adjustments	287,324
Net Cash Provided/(Used) by Operating Activities	\$ (1,905,749)

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, 2022**

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**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**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, 2022 of 4,522 and is one of the largest K through 8 districts in Monmouth County.

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

- ◆ the organization is legally separate (can sue or be sued in their own name);
- ◆ the School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization's board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

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

**Component Units**

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

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (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, 2022 (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, 2022 (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, 2022 (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 and a Statement of Changes in Fiduciary Net Position. The School District's fiduciary funds include Custodial Funds which are used to report fiduciary activities where the School District controls assets that are collected on behalf of these entities. These assets are held in a trust and are distributed in accordance with applicable policies. The Custodial Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting in accordance with GASBS No. 84, *Fiduciary Activities*.

The School District reports no fiduciary funds.

**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, 2022 (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, 2022 (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, 2022 (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, 2022 (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, 2022 (Continued)**

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

**Deferred Loss on Refunding Debt**

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

**Bond Premiums, Discounts and Issuance Costs**

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

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

**Pensions**

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

**Fund Balance**

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

Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

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

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022 (Continued)**

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

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

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

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

**Net Position**

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

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

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

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

**Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 and March 17, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022 (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, 2022:

Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about government's leasing activities. Management has determined the implementation of this Statement did not have a significant impact on the District's financial statements.

Statement No. 98, *The Annual Comprehensive Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. Management has determined the implementation of this Statement did not have a significant impact on the District's financial statements.

Recently Issued Accounting Pronouncements

Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. This Statement is effective for reporting periods beginning after June 15, 2022.

Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. The effective date is fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 101, *Compensated Absences*. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022 (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, 2022, the School District’s bank balance of \$19,161,665 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	16,593,403
Uninsured and Uncollateralized		2,568,262
Total	\$	19,161,665

**Investments**

The School District had no investments at June 30, 2022.

**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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	3,591,451
Increased by:		
Interest Earnings		1,000
Deposits Approved by Board		1,000,000
		4,592,451
Decreased by:		
Budget Withdrawals		(1,000,000)
Ending Balance, June 30, 2022	\$	3,592,451

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	3,783,135
Increased by:		
Interest Earnings		2,000
Deposits Approved by Board		500,000
Ending Balance, June 30, 2022	\$	4,285,135

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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	700,718
Increased by:		
Board Contributions		100,000
Ending Balance, June 30, 2022	\$	800,718

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2022 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, 2022, consisted of the following:

<u>Description</u>	Governmental Funds		Total Governmental Activities
	General Fund	Special Revenue Fund	
Federal Awards	\$ 3,577	\$ 874,444	\$ 878,021
State Awards	744,027	-	744,027
Other	72,013	19,331	91,344
<b>Total</b>	<b>\$ 819,617</b>	<b>\$ 893,775</b>	<b>\$ 1,713,392</b>

<u>Description</u>	Proprietary Funds		Total Business-Type Activities
	Food Service Fund	Total Business-Type Activities	
Federal Awards	\$ 190,159	\$ 190,159	\$ 190,159
State Awards	3,673	3,673	3,673
Other	7,846	7,846	7,846
<b>Total</b>	<b>\$ 201,678</b>	<b>\$ 201,678</b>	<b>\$ 201,678</b>

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2022 was as follows:

	Governmental Activities			
	Balance July 1, <u>2021</u>	<u>Additions</u>	Retirements <u>and Transfers</u>	Balance June 30, <u>2022</u>
<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	23,744,467	-	-	23,744,467
Capital Assets being depreciated:				
Buildings and Improvements	102,193,615	2,644,303	-	104,837,918
Equipment	10,860,853	1,008,709	-	11,869,562
Total Capital Assets being depreciated	113,054,468	3,653,012	-	116,707,480
Less: Accumulated Depreciation:				
Buildings and Improvements	(51,726,174)	(2,381,334)	-	(54,107,508)
Equipment	(7,486,013)	(732,123)	-	(8,218,136)
Total Accumulated Depreciation	(59,212,187)	(3,113,457)	-	(62,325,644)
Total Capital Assets being depreciated, net	53,842,281	539,555	-	54,381,836
Total Governmental Activities Capital Assets, net	<b>\$ 77,586,748</b>	<b>\$ 539,555</b>	<b>\$ -</b>	<b>\$ 78,126,303</b>

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022 (Continued)**

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

	Business-Type Activities			Balance June 30, 2022
	Balance July 1, 2021	Additions	Retirements and Transfers	
<b>Business-Type Activities:</b>				
Buildings	\$ 364,554	\$ -	\$ -	\$ 364,554
Equipment	805,952	104,430	-	910,382
Total Capital Assets being depreciated	1,170,506	104,430	-	1,274,936
Less: Accumulated Depreciation:				
Buildings	(173,656)	(14,582)	-	(188,238)
Equipment	(353,670)	(46,651)	-	(400,321)
Total Capital Assets being depreciated, net	(527,326)	(61,233)	-	(588,559)
Total Business-Type Activities Capital Assets, net	\$ 643,180	\$ 43,197	\$ -	\$ 686,377

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

Governmental Activities

Instruction:	
Regular Instruction	\$ 1,152,593
Special Education Instruction	467,366
Other Instruction	107,341
Support Services:	
Tuition	46,150
Student & Instruction Related Services	444,397
General Administrative	79,704
School Administrative Services	187,296
Central Services	28,987
Administrative Info. Technology	34,391
Plant Operations & Maintenance	346,290
Pupil Transportation	218,942
Total Depreciation Expense - Governmental Activities	\$ 3,113,457



**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

Individual fund receivables/payables at June 30, 2022 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ 27,317
Special Revenue Fund	27,317	-
	<u>\$ 27,317</u>	<u>\$ 27,317</u>

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

There were interfund transfers for the year ended June 30, 2022. A summary of interfund transfers are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 9,892	\$ -
Capital Projects Fund	-	9,892
	<u>\$ 9,892</u>	<u>\$ 9,892</u>

**Note 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2022 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
Lease Obligations	\$ 15,537,158	\$ 1,506,903	\$ 1,463,629	\$ 15,580,432	\$ 1,296,268
Compensated Absences	2,596,499	85,430	106,998	2,574,931	-
Net Pension Liability	19,209,643	7,948,509	13,978,990	13,179,162	-
	<u>\$ 37,343,300</u>	<u>\$ 9,540,842</u>	<u>\$ 15,549,617</u>	<u>\$ 31,334,525</u>	<u>\$ 1,296,268</u>

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

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 7. Long-Term Obligations (Continued)**

**Financed Purchases**

The School District executed a financed purchase agreement for Buses and Vans on October 25, 2018 valued at \$619,460 of which \$491,828 has matured and been repaid.

The School District executed a financed purchase agreement for Buses and Vans on November 1, 2019 valued at \$641,869 of which \$382,154 has matured and been repaid.

The School District executed a financed purchase agreement for an Energy Savings Improvement Plan (ESIP) on November 8, 2019 valued at \$15,250,000 of which \$1,172,000 has matured and been repaid.

The School District executed a financed purchase agreement for a Backhoe on January 24, 2020 valued at \$100,286 of which \$39,368 has matured and been repaid.

The School District executed a financed purchase agreement for Buses and Vans on July 1, 2021 valued at \$665,860, of which \$265,958 has matured and been repaid.

The School District executed a financed purchase agreement for Copiers on November 3, 2021 valued at \$172,972 of which \$30,270 has matured and been repaid.

The School District executed a financed purchase agreement for Buses and Vans on November 15, 2021 valued at \$668,071 of which \$136,508 has matured and been repaid.

The following is a schedule of the remaining future minimum financed purchase payments, and the present value of the net minimum financed purchase payments at June 30, 2022:

	Fiscal Year Ending <u>June 30,</u>		<u>Total</u>
	2023	\$	1,510,025
	2024		1,396,462
	2025		1,252,376
	2026		1,022,618
	2027		892,676
	2028-2032		4,787,928
	2033-2037		4,811,363
	2038-2040		2,644,594
			18,318,042
Total Minimum Lease Payments			18,318,042
Less: Amount Representing Interest			(2,737,610)
			15,580,432
Present Value of Minimum Lease Payments		\$	15,580,432

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

**Bonds Authorized but not Issued**

As of June 30, 2022, the School District had no bonds authorized but not issued.

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 8. Pension Plans**

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

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

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

The following represents the membership tiers for PERS:

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

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

**Contributions** - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, 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, 2022 (Continued)**

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

**Pension Liability, Pension (Credit)/Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2022, the School District reported a liability of \$13,179,162 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021. 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, 2020, to the measurement date of June 30, 2021. 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, 2021. The School District's proportion measured as of June 30, 2021, was 0.11124942% which was a decrease of 0.00654778% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized full accrual pension credit of (\$1,773,122) in the government-wide financial statements. This pension credit was based on the pension plans June 30, 2021 measurement date. At June 30, 2022 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	\$ 207,852	\$ 94,347
Changes of Assumptions	68,637	4,691,867
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	3,471,737
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	951,523	1,375,500
School District contributions subsequent to measurement date	1,413,488	-
	\$ 2,641,500	\$ 9,633,451

\$1,413,488 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2021-2022 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.98%. The payable is due on April 1, 2023 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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:

<b>Year Ending June 30,</b>	
2023	\$ (3,114,685)
2024	(2,172,908)
2025	(1,640,823)
2026	(1,283,162)
2027	(193,861)
	\$ (8,405,439)

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:

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022 (Continued)**

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

	<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	-
June 30, 2021	5.13	-
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
June 30, 2021	-	5.13
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	-
June 30, 2021	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
June 30, 2021	5.13	5.13

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00% Based on Age
Thereafter	3.00% - 7.00% Based on Age
Investment Rate of Return	7.00%
Mortality Rate of Return:	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 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-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. 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, 2021) 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, 2021 are summarized in the following table:

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (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%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 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, 2021, 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	\$ 18,138,664	\$ 13,179,162	\$ 9,230,036

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2022 and 2021:

	<u>6/30/2022</u>	<u>6/30/2021</u>
Collective Deferred Outflows of Resources	\$ 1,164,738,169	\$ 2,347,583,337
Collective Deferred Inflows of Resources	8,339,123,762	7,849,949,467
Collective Net Pension Liability	11,972,782,878	16,435,616,426
School District's portion	0.1113%	0.1178%

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

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

**Plan Description** - TPAF is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the Division. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at [www.nj.gov/treasury/pensions/financial-reports.shtml](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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 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 2021, 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, 2022 (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, 2022 was \$174,535,906. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2021, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.36304%, which was a decrease of 0.00618% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized a pension expense in the amount of \$4,106,906 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plan's June 30, 2021 measurement date.

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

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, 2022 (Continued)**

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 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%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<b>100.00%</b>	

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

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

**Sensitivity of the School District’s proportionate share of the Net Pension Liability to Changes in the Discount Rate** – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District’s annual required contribution. The following represents the State’s proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State’s proportionate share of the net pension liability, attributable to the School District’s would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>At 1% Decrease (6.00%)</b>	<b>At Current Discount Rate (7.00%)</b>	<b>At 1% Increase (5.00%)</b>
State's Proportionate Share of Net Pension Liability associated with the School District	\$ 206,505,131	\$ 174,535,906	\$ 147,683,766

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

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2022 and 2021:

	<b>6/30/2022</b>	<b>6/30/2021</b>
Collective Deferred Outflows of Resources	\$ 6,373,530,834	\$ 9,626,548,228
Collective Deferred Inflows of Resources	27,363,906	14,591,988,841
Collective Net Pension Liability	48,165,991,182	65,993,498,688
 School District's portion	 0.36305%	 0.36922%

**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, 2022, employee contributions totaled \$73,619, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$54,209.

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022 (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, 2022 (Continued)**

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

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

<b>Inflation Rate</b>	2.50%		
		<u>TPAF/ABP</u>	<u>PERS</u>
		<u>PFERS</u>	
Salary Increases:			
Through 2026		1.55 - 4.45%	2.00 - 6.00%
		based on service years	based on service years
Thereafter		2.75 - 5.65%	3.00 - 7.00%
		based on service years	based on service years
			Not Applicable

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PFERS 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, 2021 was \$215,395,408. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2021, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2021, the State proportionate share of the OPEB Obligation attributable to the School District was 0.35894658%, which was an increase of 0.00038925% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized an OPEB expense in the amount of \$13,344,461 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, 2021 measurement date.

**Health Care Trend Assumptions**

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

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

**Discount Rate**

The discount rate for June 30, 2021 was 2.16%, 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, 2021, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>June 30, 2021</b>		
	At 1% Decrease (1.16%)	At Discount Rate (2.16%)	At 1% Increase (3.16%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 258,009,885	\$ 215,395,408	\$ 181,839,065
State of New Jersey's Total Nonemployer OPEB Liability	\$ 71,879,745,555	\$ 60,007,650,970	\$ 50,659,089,138

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

The following presents the total nonemployer OPEB liability as of June 30, 2021, 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, 2021</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	\$ 174,363,103	\$ 215,395,408	\$ 270,498,520
State of New Jersey's Total Nonemployer OPEB Liability	\$ 48,576,338,417	\$ 60,007,650,970	\$ 75,358,991,782

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

**Additional Information**

Collective balances of the Local Group at June 30, 2021 are as follows:

	Deferred Outflows of	Deferred Inflows of
Differences between Expected & Actual Experience	\$ 9,045,886,863	\$ (18,009,362,976)
Change in Assumptions	10,179,536,966	(6,438,261,807)
Contributions Made in Fiscal Year Ending 6/30/2022 After Measurement Date	TBD	N/A
	\$ 19,225,423,829	\$ (24,447,624,783)

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,	
2022	\$ (1,182,303,041)
2023	(1,182,303,041)
2024	(1,182,303,041)
2025	(1,182,303,041)
2026	(840,601,200)
Thereafter	347,612,410
	\$ (5,222,200,954)

\*\* Employer Contributions made after June 30, 2022 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, 2022 (Continued)**

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

**Plan Membership**

At June 30, 2020, the Program membership consisted of the following:

Active Plan Members	213,901
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	<u>150,427</u>
	<u><u>364,328</u></u>

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

**Total OPEB Liability**

Service Cost	\$ 3,217,184,264
Interest Cost	1,556,661,679
Changes of Benefit Terms	(63,870,842)
Differences Between Expected and Actual Experiences	(11,385,071,658)
Changes of Assumptions	59,202,105
Contributions: Member	39,796,196
Gross Benefit Payments	<u>(1,226,213,382)</u>
Net Change in Total OPEB Liability	(7,802,311,638)
Total OPEB Liability (Beginning)	<u>67,809,962,608</u>
Total OPEB Liability (Ending)	<u><u>\$ 60,007,650,970</u></u>
Total Covered Employee Payroll	14,425,669,769
Net OPEB Liability as a Percentage of Payroll	416%

**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, 2022, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$14,885,597, \$3,068,708, \$3,477,877, and \$5,395, respectively.

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (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>
2022	\$ 100,000	\$ -	\$ 800,718	\$ -
2021	-	10,087	700,718	-
2020	55,000	1,740	710,805	-

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

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

Workers' Compensation

**Note 12. Contingencies**

**State and Federal Grantor Agencies** - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2022 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, 2022 (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, 2022, the liability for compensated absences reported was \$2,574,931.

**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, 2022 (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, 2022 was \$341,136.

**Note 17. Fund Balances**

**General Fund** – Of the \$16,662,366 General Fund fund balance at June 30, 2022, \$3,592,451 has been restricted for the Capital Reserve Account; \$4,285,135 has been restricted for the Maintenance Reserve Account; \$800,718 has been restricted for unemployment claims; \$341,136 has been restricted for current year excess surplus; \$571,465 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$1,279,935 has been assigned - designated for subsequent year's expenditures; \$3,073,617 has been assigned to other purposes; and \$2,717,909 has been unassigned.

**Special Revenue Fund** – Of the \$101,601 Special Revenue Fund fund balance at June 30, 2022, \$1,737 is restricted for scholarships; \$91,899 is restricted for student activities; and \$7,965 is restricted for technology trust.

**Note 18. Deficit in Net Position**

**Unrestricted Net Position** – The School District governmental activities had a deficit in unrestricted net position in the amount of \$17,269,020 at June 30, 2022. 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, 2022. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**Note 19. Commitments**

The District has contractual commitments as of June 30, 2022 to various vendors, which are recorded in the General Fund as Fund Balance Assigned to Other Purposes in the amount of \$3,073,617.

**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, 2022

ACCOUNT NUMBERS	JUNE 30, 2022				VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 79,200,098	\$ -	\$ 79,200,098	\$ 79,200,098	\$ -
Tuition From Individuals	95,000	-	95,000	118,549	23,549
Play Proceeds	12,571	-	12,571	14,872	2,301
Student Dues and Fees	120,000	-	120,000	85,218	(34,782)
Rents and Royalties	80,000	-	80,000	70,518	(9,482)
Unrestricted Miscellaneous Revenues	190,000	38,484	228,484	123,958	(104,527)
Interest Earned on Maintenance Reserve	2,000.00	-	2,000.00	2,000.00	-
Interest Earned on Capital Reserve Funds	1,000.00	-	1,000.00	1,000.00	-
<b>Total Local Sources</b>	<b>79,700,669</b>	<b>38,484</b>	<b>79,739,153</b>	<b>79,616,213</b>	<b>(122,941)</b>
State Sources:					
Categorical Transportation Aid	1,189,069	-	1,189,069	1,189,069	-
Extraordinary Aid	250,000	273,696	523,696	335,973	(187,723)
Categorical Special Education Aid	3,375,643	-	3,375,643	3,375,643	-
Equalization Aid	3,709,611	-	3,709,611	3,709,611	-
Categorical Security Aid	349,448	-	349,448	349,448	-
Other State Aids	-	-	-	66,987	66,987
Securing Our Children's Future Bond Act	255,929	-	255,929	150,844	(105,085)
Nonbudgeted:					
TPAF Pension (on-behalf)	-	-	-	14,885,597	14,885,597
TPAF Social Security (reimbursed)	-	-	-	3,068,708	3,068,708
TPAF Post Retirements	-	-	-	3,477,877	3,477,877
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	5,395	5,395
<b>Total State Sources</b>	<b>9,129,700</b>	<b>273,696</b>	<b>9,403,396</b>	<b>30,615,152</b>	<b>21,211,756</b>
Federal Sources:					
Medicaid Reimbursement	12,000	-	12,000	15,737	3,737
<b>Total Federal Sources</b>	<b>12,000</b>	<b>-</b>	<b>12,000</b>	<b>15,737</b>	<b>3,737</b>
<b>Total Revenues</b>	<b>88,842,369</b>	<b>312,180</b>	<b>89,154,549</b>	<b>110,247,102</b>	<b>21,092,552</b>

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2022

	ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Current Expense:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	11-105-100-101	180,270	6,500	186,770	7,107
Kindergarten - Salaries of Teachers	11-110-100-101	2,061,440	(127,523)	1,933,917	1,891,602
Grades 1-5 - Salaries of Teachers	11-120-100-101	11,761,304	104,995	11,866,300	11,650,378
Grades 6-8 - Salaries of Teachers	11-130-100-101	11,162,033	64,227	11,226,260	10,945,409
Regular Programs - Home Instruction:					
Salaries of Teachers	11-150-100-101	12,000	9,689	21,689	-
Purchased Professional - Educational Services	11-150-100-320	6,000	1,340	7,340	5,751
<b>Total Regular Programs - Instruction</b>		<b>25,183,048</b>	<b>59,228</b>	<b>25,242,276</b>	<b>24,694,492</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	11-204-100-101	962,804	(164,907)	797,897	728,837
Other Salaries for Instruction	11-204-100-106	326,980	10,000	336,980	309,021
Other Purchased Services	11-204-100-500	13,050	5,000	18,050	10,381
General Supplies	11-204-100-610	12,436	-	12,436	7,123
Textbooks	11-204-100-640	5,000	-	5,000	5,000
<b>Total Learning and/or Language Disabilities</b>		<b>1,320,270</b>	<b>(149,907)</b>	<b>1,170,363</b>	<b>1,053,553</b>
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	11-212-100-101	438,902	22,035	460,937	432,680
Other Salaries for Instruction	11-212-100-106	403,471	(83,119)	320,352	260,474
Other Purchased Services	11-212-100-500	9,370	5,000	14,370	8,636
General Supplies	11-212-100-610	4,850	-	4,850	1,212
<b>Total Multiple Disabilities</b>		<b>856,593</b>	<b>(56,084)</b>	<b>800,509</b>	<b>703,002</b>
<b>Total</b>		<b>55,142,816</b>	<b>(46,763)</b>	<b>55,189,579</b>	<b>54,781,783</b>

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2022

ACCOUNT NUMBERS	ORIGINAL BUDGET	JUNE 30, 2022		VARIANCE FINAL TO ACTUAL
		BUDGET TRANSFERS	FINAL BUDGET	
Special Education - Instruction: Resource Room/Resource Center:				
Salaries of Teachers	6,699,517	(52,632)	6,646,885	6,543,097
Other Purchased Services	42,100	20,000	62,100	48,133
General Supplies	51,250	-	51,250	26,437
Textbooks	22,149	-	22,149	324
Total Resource Room/Resource Center	6,815,016	(32,632)	6,782,384	6,617,990
Special Education - Instruction: Autism:				
Salaries of Teachers	392,051	67,237	459,288	456,677
Other Salaries for Instruction	444,934	43,000	487,934	442,524
Other Purchased Services	10,650	5,000	15,650	3,216
General Supplies	6,600	250	6,850	2,410
Total Autism	854,235	115,487	969,722	904,826
Special Education - Instruction: Preschool Disabilities - Part-Time:				
Salaries of Teachers	353,407	(153,663)	199,744	194,400
Other Salaries for Instruction	92,715	(26,843)	65,872	61,182
Other Purchased Services	4,000	1,000	5,000	257
General Supplies	10,400	-	10,400	1,002
Total Preschool Disabilities - Part-Time	460,522	(179,506)	281,016	256,842
Special Education - Instruction: Preschool Disabilities - Full-Time:				
Salaries of Teachers	327,096	249,532	576,628	568,859
Other Salaries for Instruction	330,124	70,098	400,222	356,175
Other Purchased Services	4,200	5,000	9,200	2,061
General Supplies	5,079	-	5,079	3,881
Total Preschool Disabilities - Full-Time	666,499	324,630	991,129	930,976

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2022

ACCOUNT NUMBERS	ORIGINAL BUDGET	JUNE 30, 2022		VARIANCE FINAL TO ACTUAL
		BUDGET TRANSFERS	FINAL BUDGET	
Special Education - Instruction:				
Home Instruction:				
Salaries of Teachers	10,000	11,811	21,811	11,811
Purchased Professional - Educational Services	12,000	55,160	67,160	55,160
Total Home Instruction	22,000	66,971	88,971	66,971
Total Special Education - Instruction	10,995,135	88,959	11,084,094	10,544,679
Basic Skills/Remedial - Instruction:				
Salaries of Teachers	813,043	26,146	839,189	26,146
Other Salaries for Instruction	299,661	-	299,661	299,661
Other Purchased Services	5,930	1,000	6,930	1,000
General Supplies	28,650	-	28,650	28,650
Total Basic Skills/Remedial - Instruction	1,147,284	27,146	1,174,430	27,146
Bilingual Education - Instruction:				
Salaries of Teachers	324,280	-	324,280	324,280
Other Purchased Services	11,730	500	12,230	11,230
General Supplies	4,171	-	4,171	4,171
Total Bilingual Education - Instruction	340,181	500	340,681	340,181
School-Sponsored Coccircular/Extra Curricular Activities - Instruction:				
Salaries	247,289	-	247,289	247,289
Purchased Services	10,687	(164)	10,523	10,422
Supplies and Materials	8,778	164	8,942	8,179
Total School-Sponsored Coccircular/Extra Curricular Activities - Instruction	266,754	-	266,754	247,548
School-Sponsored Athletics - Instruction:				
Salaries	205,270	-	205,270	196,584
Supplies and Materials	17,244	964	18,208	16,857
Other Objects	23,072	-	23,072	16,018
Total School-Sponsored Athletics - Instruction	248,086	964	249,050	229,459

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2022

	ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Instructional Programs - Instruction						
Salaries	11-403-100-100	624,452	(13,071.00)	611,381	575,932	35,449
Other Purchased Services	11-403-100-500	600	-	600	375	225
Supplies and Materials	11-403-100-600	16,507	(907.00)	15,600	14,006	1,594
<b>Total Other Instructional Programs - Instruction</b>		<b>641,559</b>	<b>(13,978)</b>	<b>627,581</b>	<b>590,313</b>	<b>37,268</b>
Undistributed Expenditures - Instruction (Tuition):						
Tuition to Other LEAs Within State - Special	11-000-100-562	67,000	(53,670)	13,330	13,330	-
Tuition to Private School Disabled - Within State	11-000-100-566	948,516	53,680	1,002,196	976,696	25,500
Tuition - Other	11-000-100-569	128,056	-	128,056	51,208	76,848
<b>Total Undistributed Expenditures - Instruction (Tuition)</b>		<b>1,143,572</b>	<b>10</b>	<b>1,143,582</b>	<b>1,041,234</b>	<b>102,348</b>
Undistributed Expenditures Attendance and Social Work:						
Salaries	11-000-211-100	792,899	(7,500)	785,399	777,444	7,955
Purchased Professional and Technical Services	11-000-211-300	10,097	-	10,097	-	10,097
Other Purchased Services	11-000-211-500	1,000	-	1,000	-	1,000
<b>Total Undistributed Expenditures Attendance and Social Work</b>		<b>803,996</b>	<b>(7,500)</b>	<b>796,496</b>	<b>777,444</b>	<b>19,052</b>
Undistributed Expenditures - Health Services:						
Salaries	11-000-213-100	920,240	-	920,240	876,290	43,950
Purchased Professional & Technical Services	11-000-213-300	263,000	-	263,000	131,606	131,394
Other Purchased Services	11-000-213-500	-	5,000	5,000	2,383	2,617
Supplies and Materials	11-000-213-600	20,755	6,907	27,662	19,908	7,754
<b>Total Undistributed Expenditures - Health Services</b>		<b>1,203,995</b>	<b>11,907</b>	<b>1,215,902</b>	<b>1,030,187</b>	<b>185,715</b>
Undistributed Expenditures - Speech, OT, PT and Related Services:						
Salaries	11-000-216-100	1,426,622	(169,830)	1,256,792	1,204,349	52,443
Purchased Professional - Educational Services	11-000-216-320	164,000	-	164,000	96,226	67,774
Supplies and Materials	11-000-216-600	17,383	500	17,883	13,902	3,981
<b>Total Undistributed Expenditures - Speech, OT, PT and Related Services</b>		<b>1,608,005</b>	<b>(169,330)</b>	<b>1,438,675</b>	<b>1,314,477</b>	<b>124,198</b>

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2022

ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -				
Other Support Services - Extra Services:				
Salaries	714,436	(50,939)	663,497	12,338
Supplies and Materials	-	2,000	2,000	700
Total Undistributed Expenditures -	714,436	(48,939)	665,497	13,038
Other Support Services - Extra Services				
Undistributed Expenditures - Guidance:				
Salaries of Other Professional Staff	1,020,085	(24,550)	995,535	8,074
Salaries of Secretaries & Clerical Assistants	117,678	1,400	119,078	-
Other Purchased Professional and Technical Services	355,312	(8,000)	347,312	11,983
Other Purchased Services	200	-	200	-
Supplies and Materials	6,278	7,218	13,496	495
Total Undistributed Expenditures - Guidance	1,499,553	(23,932)	1,475,621	20,551
Undistributed Expenditures - Child Study Teams:				
Salaries of Other Professional Staff	1,477,963	(8,697)	1,469,266	7,052
Salaries of Secretaries & Clerical Assistants	109,346	-	109,346	4,183
Other Salaries	49,064	(6,000)	43,064	6,022
Unused Vacation Payments	-	8,697	8,697	1
Purchased Professional - Educational Services	155,000	(16,027)	138,973	42,804
Other Purchased Services	35,800	-	35,800	4,472
Miscellaneous Purchased Services	26,600	-	26,600	13,348
Supplies and Materials	37,120	1,977	39,097	16,009
Total Undistributed Expenditures - Child Study Teams	1,890,893	(20,050)	1,870,843	93,890
Undistributed Expenditures - Improvement of Instruction Services:				
Salaries of Supervisors of Instruction	-	107,164	107,164	500
Salaries of Sec. and Clerical Assist.	92,282	-	92,282	8,677
Other Salaries	195,716	-	195,716	62,541
Sal. of Fac., Math, Literacy Coaches	1,199,709	1,500	1,201,209	864
Other Purchased Professional and Technical Services	5,000	(4,136)	864	22,951
Other Purchased Services	99,677	-	99,677	7,061
Supplies and Materials	12,525	-	12,525	5,464
Total Undistributed Expenditures - Improvement of Instruction Services	1,604,909	104,528	1,709,437	102,595

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2022

	ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Educational Media Services/Library:					
Salaries	11-000-222-100	375,940	-	375,940	-
Other Purchased Services	11-000-222-500	34,528	(602)	33,926	27
Supplies and Materials	11-000-222-600	34,499	4,517	39,016	2,950
Total Undistributed Expenditures - Educational Media Services/Library		444,967	3,915	448,882	2,977
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	11-000-223-102	-	26,791	26,791	-
Salaries of Secretarial and Clerical Asst.	11-000-223-105	22,946	-	22,946	-
Other Salaries	11-000-223-110	39,114	(22,010)	17,104	2,065
Other Purchased Prof. and Tech. Services	11-000-223-390	12,380	-	12,380	4,890
Other Purchased Services	11-000-223-500	90,227	-	90,227	59,446
Supplies and Materials	11-000-223-600	2,990	-	2,990	160
Total Undistributed Expenditures - Instructional Staff Training Services		167,657	4,781	172,438	66,560
Undistributed Expenditures - Support Services - General Administration:					
Salaries	11-000-230-100	762,617	(500)	762,117	10,510
Legal Services	11-000-230-331	311,071	(102,700)	208,371	48,953
Audit Fees	11-000-230-332	32,500	4,000	36,500	-
Architectural/Engineering Services	11-000-230-334	122,886	127,628	250,514	49,492
Other Purchased Professional Services	11-000-230-339	72,500	(4,347)	68,153	10,058
Purchased Technical Services	11-000-230-340	100,601	500	101,101	1,785
Communications/Telephone	11-000-230-530	422,810	(24,101)	398,709	31,281
Other Purchased Services	11-000-230-590	96,319	-	96,319	22,125
General Supplies	11-000-230-610	22,808	-	22,808	14,513
BOE In-House Training/Meeting Supplies	11-000-230-630	500	-	500	464
Judgements Against School District	11-000-230-820	25,000	(25,000)	-	-
Miscellaneous Expenditures	11-000-230-890	9,770	-	9,770	3,473
BOE Membership Dues and Fees	11-000-230-895	38,000	-	38,000	1,934
Total Undistributed Expenditures - Support Services - General Administration		2,017,382	(24,520)	1,992,862	194,590

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2022

	ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	11-000-240-103	3,079,121	(35,434)	3,043,687	3,043,685
Salaries of Secretaries & Clerical Assistants	11-000-240-105	1,021,804	(16,988)	1,004,816	1,001,941
Unused Vacation Payment to Staff	11-000-240-199	-	9,220	9,220	9,219
Other Purchased Services	11-000-240-500	127,495	(13,604)	113,891	95,522
Supplies and Materials	11-000-240-600	69,109	16,670	85,779	54,987
Other Objects	11-000-240-800	21,308	-	21,308	20,402
		4,318,837	(40,137)	4,278,701	4,225,757
Total Undistributed Expenditures -					52,944
Support Services - School Administration					
Undistributed Expenditures - Central Services:					
Salaries	11-000-251-100	655,289	(4,000)	651,289	640,099
Purchased Professional Services	11-000-251-330	4,000	4,000	8,000	910
Miscellaneous Purchased Services	11-000-251-592	8,500	-	8,500	5,109
Supplies and Materials	11-000-251-600	7,800	(1,500)	6,300	4,803
Miscellaneous Expenditures	11-000-251-890	3,200	-	3,200	3,090
		678,789	(1,500)	677,289	654,012
Total Undistributed Expenditures - Central Services					23,277
Undistributed Expenditures -					
Administrative Information Technology:					
Salaries	11-000-252-100	312,220	(8,510)	303,710	274,285
Unused Vacation Payment to Staff	11-000-252-199	-	8,510	8,510	8,209
Purchased Technical Services	11-000-252-340	85,000	1,400	86,400	68,482
Other Purchased Services	11-000-252-500	243,225	49,619	292,844	262,150
Supplies and Materials	11-000-252-600	180,435	(7,462)	172,973	162,795
		820,880	43,557	864,437	775,922
Total Undistributed Expenditures -					88,515
Administrative Information Technology					
Undistributed Expenditures -					
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	11-000-261-420	1,227,797	(66,256)	1,161,541	721,054
General Supplies	11-000-261-610	257,591	(5,510)	252,081	219,837
		1,485,388	(71,766)	1,413,622	940,892
Total Undistributed Expenditures -					472,731
Required Maintenance for School Facilities					



MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2022

	ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Custodial Services:					
Salaries	11-000-262-100	1,795,178	(45,889)	1,749,289	138,392
Salaries of Non-Instructional Aides	11-000-262-107	526,603	(250,000)	276,603	13,632
Unused Vacation Payment to Staff	11-000-262-199	-	15,441	15,441	-
Purchased Professional and Technical Services	11-000-262-300	54,700	-	54,700	39,155
Cleaning, Repair & Maintenance Services	11-000-262-420	2,702,986	(26,390)	2,676,596	165,650
Rental of Land & Bldg. Other Than Lease Purch.	11-000-262-441	-	20,048	20,048	3,072
Other Purchased Property Services	11-000-262-490	259,114	6,500	265,614	28,866
Insurance	11-000-262-520	235,205	2,974	238,179	3,405
Miscellaneous Purchased Services	11-000-262-590	5,550	-	5,550	2,957
General Supplies	11-000-262-610	311,362	(62,647)	248,715	79,258
Energy (Natural Gas)	11-000-262-621	269,103	252,000	521,103	3,716
Energy (Electricity)	11-000-262-622	225,951	224,829	450,780	59,880
Energy (Oil)	11-000-262-624	9,520	7,500	17,020	2,871
Other Objects	11-000-262-800	27,950	-	27,950	14,129
Interest - Energy Savings Impr Prog Bonds	11-000-262-837	919,076	-	919,076	13,821
		7,342,298	144,366	7,486,664	554,676
Total Undistributed Expenditures - Custodial Services				6,931,987	
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	11-000-263-100	64,012	(36,922)	27,090	2,990
Cleaning, Repair & Maintenance Services	11-000-263-420	165,556	(3,000)	162,556	8,907
General Supplies	11-000-263-610	33,000	(3,000)	30,000	15,930
		262,568	(42,922)	219,646	27,828
Total Undistributed Expenditures - Care and Upkeep of Grounds				191,818	
Security:					
Salaries	11-000-266-100	312,456	-	312,456	12,132
Purchased Professional and Technical Services	11-000-266-300	277,000	10,000	287,000	8,043
Cleaning, Repair, and Maintenance Services	11-000-266-420	108,740	(27,000)	81,740	10,475
General Supplies	11-000-266-610	43,878	16,900	60,779	44,901
Other Objects	11-000-266-800	864	100	964	33
		742,938	-	742,938	75,584
Total Security				667,354	

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2022

	ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Student Transportation Services:					
Salaries of Non-Instructional Aides	11-000-270-107	313,021	(16,630)	296,391	294,470
Salaries of Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,990,711	39,390	2,030,101	1,907,619
Sal for Pupil Trans (Bet Home & Sch)- Sp Ed	11-000-270-161	466,006	11,110	477,116	470,404
Sal for Pupil Trans (Other than Bet. Home & Sch)	11-000-270-162	10,155	10,000	20,155	2,911
Other Purchased Prof. and Technical Serv.	11-000-270-390	21,428	-	21,428	17,640
Cleaning, Repair and Maintenance Services	11-000-270-420	58,804	(14,002)	44,802	33,555
Lease Purchase Payments - School Buses	11-000-270-443	671,024	-	671,024	664,268
Contract Services - Aid in Lieu Payments - Non Public Schools	11-000-270-503	196,350	13,202	209,552	209,257
Contract Services (Between Home & School) - Vendors	11-000-270-511	100,000	(33,870)	66,130	40,090
Contract Services (Other Than Between Home & School) - Vendors	11-000-270-512	20,000	(10,000)	10,000	-
Contract Services (Between Home & School) - Joint Agreement	11-000-270-513	46,350	-	46,350	5,005
Contract Serv.(Sp Ed Stds)-Joint Agrmnts	11-000-270-515	750,000	-	750,000	697,487
Miscellaneous Purchased Services - Transportation	11-000-270-593	61,504	1,510	63,014	59,062
General Supplies	11-000-270-610	7,350	-	7,350	2,310
Transportation Supplies	11-000-270-615	519,796	62,000	581,796	525,135
Miscellaneous Expenditures	11-000-270-800	16,351	(450)	15,901	10,528
<b>Total Undistributed Expenditures - Student Transportation Services</b>		<b>5,248,850</b>	<b>62,260</b>	<b>5,311,110</b>	<b>4,939,741</b>
<b>Total Undistributed Expenditures - Student Transportation Services</b>					<b>371,368</b>
Unallocated Benefits:					
Social Security Contributions	11-000-291-220	950,000	66,186	1,016,186	1,016,184
Other Retirement Contributions - PERS	11-000-291-241	1,225,720	77,140	1,302,860	1,302,860
Unemployment Compensation	11-000-291-250	125,000	-	125,000	25,000
Workmen's Compensation	11-000-291-260	442,686	(4,484)	438,202	402,188
Health Benefits	11-000-291-270	13,240,418	(1,438,826)	11,801,592	11,616,878
Tuition Reimbursement	11-000-291-280	77,463	-	77,463	55,990
Other Employee Benefits	11-000-291-290	250,600	23,500	274,100	260,051
Unused Sick Payment to Staff	11-100-100-299	150,000	-	150,000	65,433
<b>Total Unallocated Benefits</b>		<b>16,461,887</b>	<b>(1,276,484)</b>	<b>15,185,403</b>	<b>14,744,584</b>
<b>Total Unallocated Benefits</b>					<b>440,819</b>

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2022

ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	-	14,885,597 (14,885,597)
TPAF Social Security (reimbursed)	-	-	-	3,068,708 (3,068,708)
TPAF Post Retirements	-	-	-	3,477,877 (3,477,877)
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	5,395 (5,395)
Total Undistributed Expenditures	50,461,800	(1,351,756)	49,110,044	67,514,362 (18,404,320)
Total Expenditures - Current Expense	89,283,846	(1,188,937)	88,094,909	105,175,349 (17,080,443)
Capital Outlay:				
Equipment:				
Grades 1-5	-	65,000	65,000	64,520 480
Resource Room/Resource Center	-	266,686	266,686	266,328 358
Undist. Expend.-Support Serv. - Child Study Teams	-	2,550	2,550	2,268 282
Undistributed Expenditures - School Admin.	11,800	(1,199)	10,601	1,627 8,974
Undistributed Expenditures - Admin Info Tech.	50,000	(35,644)	14,356	11,564 2,792
Undist. Expend. - Custodial Services	172,408	22,802	195,210	66,574 128,636
Undist. Expend. - Security	5,000	-	5,000	3,249 1,751
Undist. Expend.-Student Trans.-Non-Inst. Equip	28,200	4,800	33,000	28,200 4,800
Total Equipment	267,408	324,995	592,403	444,330 148,072
Facilities Acquisition & Construction Services:				
Construction Services	3,994,000	1,401,123	5,395,123	3,191,650 2,203,473
Bldgs. Other than Lease Purchase Agreements	255,929	-	255,929	150,844 105,085
Total Facilities Acquisition & Construction Services	4,249,929	1,401,123	5,651,052	3,342,494 2,308,558
Assets Acquired Under Financed Purchases (Non-Budgeted):				
Financed Purchases (Non-Budgeted)	-	-	-	1,506,903 (1,506,903)
Total Assets Acquired Under Financed Purchases (Non-Budgeted)	-	-	-	1,506,903 (1,506,903)
Total Capital Outlay	4,517,337	1,726,118	6,243,455	5,293,727 949,727
Total Expenditures	93,801,183	537,180	94,338,364	110,469,077 (16,130,715)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses)	(4,958,814)	(225,000)	(5,183,814)	(221,975) 4,961,837

MARLBORO TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2022

ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Financing Sources/(Uses):				
Transfers In(Out):				
Transfer from Other Funds	-	-	-	9,892
Financed Purchases (Non-Budgeted)	-	-	-	1,506,903
Total Other Financing Sources/(Uses)	-	-	-	1,516,795
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses)	(4,958,814)	(225,000)	(5,183,814)	1,294,820
Fund Balances, July 1	16,217,608	-	16,217,608	6,478,632
Fund Balances, June 30	11,258,794	(225,000)	11,033,794	6,478,632

RECAPITULATION OF FUND BALANCE

Transfer from Maintenance Reserves	\$ 225,000
Restricted Fund Balance:	
Capital Reserve	3,592,451
Maintenance Reserve	4,285,135
Excess Surplus	341,136
Excess Surplus Designated for Subsequent Year's Expenditures	571,465
Reserve for Unemployment Claims	800,718
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	1,279,935
Year-End Encumbrances	3,073,617
Unassigned Fund Balance	3,567,971
Subtotal	17,512,428
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	(850,062)
Fund Balance per Governmental Funds (GAAP)	\$ 16,662,366

\* Amounts in this schedule have been rounded to the nearest dollar for presentation purposes.

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2022**

	JUNE 30, 2022				VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Revenues:</b>					
Local Sources	\$ -	\$ 129,957	\$ 129,957	\$ 131,077	\$ (1,120)
State Sources	312,689	27,273	339,962	316,736	23,226
Federal Sources	2,893,231	348,645	3,241,876	2,633,838	608,038
<b>Total Revenues</b>	<b>3,205,920</b>	<b>505,875</b>	<b>3,711,795</b>	<b>3,081,651</b>	<b>630,144</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of Teachers	361,396	-	361,396	130,038	231,358
Other Salaries for Instruction	217,742	45,157	262,899	238,802	24,097
Purchased Professional - Educational Services	132,108	44,121	176,229	159,004	17,225
Other Purchased Services (400-500 Series)	787,147	80,782	867,929	668,588	199,341
General Supplies	100,582	5,451	106,033	93,176	12,857
Textbooks	15,005	-	15,005	14,226	779
<b>Total Instruction</b>	<b>1,613,980</b>	<b>175,511</b>	<b>1,789,491</b>	<b>1,303,834</b>	<b>485,657</b>
<b>Support Services:</b>					
Salaries of Other Professional Staff	135,584	-	135,584	94,789	40,795
Personal Services - Employee Benefits	54,180	3,455	57,635	34,872	22,763
Purchased Educational Services	238,387	10,707	249,094	180,438	68,656
Other Purchased Services (400-500 Series)	6,750	6,697	13,447	6,697	6,750
Supplies and Materials	14,559	215,871	230,430	228,239	2,191
Student Activities	-	83,392	83,392	83,392	-
Chromebook Repairs	-	10,242	10,242	10,242	-
<b>Total Support Services</b>	<b>449,460</b>	<b>330,364</b>	<b>779,824</b>	<b>638,669</b>	<b>141,155</b>
<b>Facilities Acquisition &amp; Construction Services:</b>					
Instructional Equipment	164,500	-	164,500	160,048	4,452
Infrastructure	977,980	-	977,980	977,980	-
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>1,142,480</b>	<b>-</b>	<b>1,142,480</b>	<b>1,138,028</b>	<b>4,452</b>
<b>Total Expenditures</b>	<b>3,205,920</b>	<b>505,875</b>	<b>3,711,795</b>	<b>3,080,531</b>	<b>631,264</b>
<b>Total Outflows</b>	<b>3,205,920</b>	<b>505,875</b>	<b>3,711,795</b>	<b>3,080,531</b>	<b>631,264</b>
<b>Excess/(Deficiency) of Revenues Over/(Under)</b>					
Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ 1,120	\$ (1,120)
<b>Fund Balance, July 1</b>				<b>100,481</b>	
<b>Fund Balance, June 30</b>				<b>101,601</b>	
<b>Recapitulation:</b>					
<b>Restricted:</b>					
Scholarships				\$ 1,737	
Student Activities				91,899	
Technology Trust				7,965	
<b>Total Fund Balance</b>				<b>101,601</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, 2022**

**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)	\$ 110,247,102	\$ 3,081,651
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	-	(552,249)
Prior Year	-	232,307
<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	(850,062)	-
Prior Year	959,401	-
<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>\$ 110,356,441</u>	<u>\$ 2,761,709</u>
<b>Uses/outflows of resources:</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 110,469,077	\$ 3,080,531
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.		
	-	(319,942)
<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>\$ 110,469,077</u>	<u>\$ 2,760,589</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 NINE FISCAL YEARS\*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.1113%	0.1178%	0.11545%	0.00109%	0.11205%	0.11316%	0.10947%	0.11176%	0.11418%
School District's proportionate share of the net pension liability	\$ 13,179,162	\$ 19,209,643	\$ 20,801,442	\$ 21,445,269	\$ 26,083,284	\$ 30,530,840	\$ 24,573,054	\$ 20,924,067	\$ 21,821,179
School District's covered payroll	\$ 7,914,825	\$ 8,003,492	\$ 8,420,559	\$ 8,066,661	\$ 7,451,664	\$ 7,563,569	\$ 7,556,838	\$ 7,556,838	\$ -
School District's proportionate share of the net pension liability as a percentage of its covered payroll	166.51%	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	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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 NINE FISCAL YEARS

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

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

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

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 FIVE FISCAL YEARS\***

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

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

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

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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**MARLBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
YEAR ENDED JUNE 30, 2022**

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

**Changes in Benefit Terms**

None.

**Changes in Assumptions**

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

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

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

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

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

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

**Changes in Benefit Terms**

The June 30, 2021 measurement date includes one change in plan provisions as Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and regular part of PERS into the WCJ Part of PERS.

**Changes in Assumptions**

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

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

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

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

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

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

**Changes in Benefit Terms**

None.

**Changes in Assumptions**

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

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

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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, 2022**

	Title I	Title IIA	Title III	Title IV	I.D.E.A. Part B - Basic
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	136,960	65,723	29,389	10,589	813,940
<b>Total Revenues</b>	<b>\$ 136,960</b>	<b>\$ 65,723</b>	<b>\$ 29,389</b>	<b>\$ 10,589</b>	<b>\$ 813,940</b>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 71,407	\$ -	\$ -	\$ 3,166	\$ -
Other Salaries for Instruction	-	-	-	-	139,495
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	6,975	-	1,091	7,005	617,801
General Supplies	2,902	-	12,221	177	8,449
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total Instruction</b>	<b>81,284</b>	<b>-</b>	<b>13,312</b>	<b>10,348</b>	<b>765,745</b>
Support Services:					
Salaries of Other Professional Staff	42,509	23,085	13,768	-	-
Personal Services - Employee Benefits	8,290	1,728	1,054	241	10,540
Purchased Educational Services	1,500	40,910	-	-	37,655
Other Purchased Services (400-500 Series)	-	-	-	-	-
Supplies and Materials	3,377	-	1,255	-	-
Scholarships Awarded	-	-	-	-	-
Student Activities	-	-	-	-	-
<b>Total Support Services</b>	<b>55,676</b>	<b>65,723</b>	<b>16,077</b>	<b>241</b>	<b>48,195</b>
<b>Total Expenditures</b>	<b>\$ 136,960</b>	<b>\$ 65,723</b>	<b>\$ 29,389</b>	<b>\$ 10,589</b>	<b>\$ 813,940</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**YEAR ENDED JUNE 30, 2022**

	I.D.E.A Part B. - Preschool	ARP - I.D.E.A. Part B. - Basic	ARP - I.D.E.A. Part B. - Preschool	Education Stabilization Fund (CARES Act)	Education Stabilization Fund (ARP ESSER)
<b>Revenues:</b>					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	111,168	146,673	15,705	401,977	901,714
<b>Total Revenues</b>	<b>\$ 111,168</b>	<b>\$ 146,673</b>	<b>\$ 15,705</b>	<b>\$ 401,977</b>	<b>\$ 901,714</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 24,522	\$ 30,943
Other Salaries for Instruction	45,157	41,434	12,716	-	-
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	19,132	-	-	-
General Supplies	143	13,598	2,017	-	-
Textbooks	-	-	-	-	-
<b>Total Instruction</b>	<b>45,300</b>	<b>74,164</b>	<b>14,733</b>	<b>24,522</b>	<b>30,943</b>
<b>Support Services:</b>					
Salaries of Other Professional Staff	-	15,427	-	-	-
Personal Services - Employee Benefits	3,455	4,350	972	1,875	2,367
Purchased Educational Services	55,716	44,657	-	-	-
Other Purchased Services (400-500 Series)	6,697	-	-	-	-
Supplies and Materials	-	8,075	-	215,532	-
Scholarships Awarded	-	-	-	-	-
Student Activities	-	-	-	-	-
<b>Total Support Services</b>	<b>65,868</b>	<b>72,509</b>	<b>972</b>	<b>217,407</b>	<b>2,367</b>
<b>Facilities Acquisition &amp; Construction Services:</b>					
Instructional Equipment	-	-	-	160,048	-
Noninstructional Equipment	-	-	-	-	-
Infrastructure	-	-	-	-	868,404
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160,048</b>	<b>868,404</b>
<b>Total Expenditures</b>	<b>\$ 111,168</b>	<b>\$ 146,673</b>	<b>\$ 15,705</b>	<b>\$ 401,977</b>	<b>\$ 901,714</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, July 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2022**

	SDA Emergent Needs and Capital Maintenance	Nonpublic Textbooks	Nonpublic Auxiliary	Nonpublic Handicapped	Nonpublic Nursing	Nonpublic Technology
<b>Revenues:</b>						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	109,576	14,226	72,492	45,644	24,026	9,783
Federal Sources	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 109,576</b>	<b>\$ 14,226</b>	<b>\$ 72,492</b>	<b>\$ 45,644</b>	<b>\$ 24,026</b>	<b>\$ 9,783</b>
<b>Expenditures:</b>						
<b>Instruction:</b>						
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Salaries for Instruction	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	72,492	45,644	24,026	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	2,488
General Supplies	-	-	-	-	-	7,295
Textbooks	-	14,226	-	-	-	-
<b>Total Instruction</b>	<b>-</b>	<b>14,226</b>	<b>72,492</b>	<b>45,644</b>	<b>24,026</b>	<b>9,783</b>
<b>Support Services:</b>						
Salaries of Other Professional Staff	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-
Purchased Educational Services	-	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-
Scholarships Awarded	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Facilities Acquisition &amp; Construction Services:</b>						
Instructional Equipment	-	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-	-
Infrastructure	109,576	-	-	-	-	-
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>109,576</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 109,576</b>	<b>\$ 14,226</b>	<b>\$ 72,492</b>	<b>\$ 45,644</b>	<b>\$ 24,026</b>	<b>\$ 9,783</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, July 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2022**

	Nonpublic Security	Other Local Grants	Student Activity	Scholarships	Technology Trust	Totals
<b>Revenues:</b>						
Local Sources	\$ -	\$ 36,323	\$ 79,471	\$ -	\$ 15,283	\$ 131,077
State Sources	40,989	-	-	-	-	316,736
Federal Sources	-	-	-	-	-	2,633,838
<b>Total Revenues</b>	<b>\$ 40,989</b>	<b>\$ 36,323</b>	<b>\$ 79,471</b>	<b>\$ -</b>	<b>\$ 15,283</b>	<b>\$ 3,081,651</b>
<b>Expenditures:</b>						
<b>Instruction:</b>						
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,038
Other Salaries for Instruction	-	-	-	-	-	238,802
Purchased Professional - Educational Services	8,955	7,887	-	-	-	159,004
Other Purchased Services (400-500 Series)	8,323	5,773	-	-	-	668,588
General Supplies	23,711	22,663	-	-	-	93,176
Textbooks	-	-	-	-	-	14,226
<b>Total Instruction</b>	<b>40,989</b>	<b>36,323</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,303,834</b>
<b>Support Services:</b>						
Salaries of Other Professional Staff	-	-	-	-	-	94,789
Personal Services - Employee Benefits	-	-	-	-	-	34,872
Purchased Educational Services	-	-	-	-	-	180,438
Other Purchased Services (400-500 Series)	-	-	-	-	-	6,697
Supplies and Materials	-	-	-	-	-	228,239
Student Activities	-	-	83,392	-	-	83,392
Chromebook Repairs	-	-	-	-	10,242	10,242
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>83,392</b>	<b>-</b>	<b>10,242</b>	<b>638,669</b>
<b>Facilities Acquisition &amp; Construction Services:</b>						
Instructional Equipment	-	-	-	-	-	160,048
Infrastructure	-	-	-	-	-	977,980
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,138,028</b>
<b>Total Expenditures</b>	<b>\$ 40,989</b>	<b>\$ 36,323</b>	<b>\$ 83,392</b>	<b>\$ -</b>	<b>\$ 10,242</b>	<b>\$ 3,080,531</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(3,921)	-	5,041	1,120
Fund Balance, July 1	-	-	95,820	1,737	2,924	100,481
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 91,899</b>	<b>\$ 1,737</b>	<b>\$ 7,965</b>	<b>\$ 101,601</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, 2022**

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

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**H. Fiduciary Fund**

Not Applicable

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## **I. Long-Term Debt**

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**MARLBORO TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES  
YEAR ENDED JUNE 30, 2022**

<b>PURPOSE</b>	<b>AMOUNT OF ORIGINAL ISSUE</b>	<b>INTEREST RATE</b>	<b>AMOUNT OUTSTANDING JUNE 30, 2021</b>	<b>ISSUED</b>	<b>RETIRED</b>	<b>AMOUNT OUTSTANDING JUNE 30, 2022</b>
2019 Buses - 5						
2018 Vans - 2	605,500	1.90%	\$ 123,584	\$ -	\$ 123,584	\$ -
2020 Buses - 5						
2019 Vans - 2	619,460	2.99%	251,553	-	123,921	127,632
2020 Buses - 5						
2020 Mid- Bus -2	641,869	4.21%	385,750	-	126,035	259,715
2020 Backhoe - 1	100,286	3.70%	60,271	-	19,353	40,918
School Energy Savings Program	15,250,000	1.91%	14,716,000	-	638,000	14,078,000
2022 Buses - 5						
2021 Mid-Bus - 2	665,860	1.09%	-	665,860	265,958	399,902
2022 Buses - 5						
2023 Mid- Bus -2	668,071	1.19%	-	668,071	136,508	531,563
2022 Copiers	172,972	3.00%	-	172,972	30,270	142,702
Total	\$ 15,537,158		\$ 1,506,903	\$ 1,463,629	\$ 1,580,432	\$ 15,580,432

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**STATISTICAL SECTION (Unaudited)**

Third Section

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**Financial Trends Information**

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>FISCAL YEAR ENDING JUNE 30,</b>										
Governmental Activities:										
Net Investment in Capital Assets	\$ 62,545,871	\$ 62,049,590	\$ 59,941,496	\$ 56,705,311	\$ 53,404,182	\$ 50,326,279	\$ 46,102,941	\$ 42,859,895	\$ 33,963,210	\$ 35,261,244
Restricted	9,692,506	10,111,542	12,135,960	8,864,994	7,557,935	8,452,497	7,011,165	4,746,088	4,519,095	10,326,308
Unrestricted (Deficit)	(17,269,020)	(22,201,488)	(25,789,241)	(25,179,420)	(23,944,710)	(24,472,923)	(22,639,727)	(21,372,114)	7,517,414	(555,386)
Total Governmental Activities	\$ 54,969,357	\$ 49,959,644	\$ 46,288,215	\$ 40,390,885	\$ 37,017,407	\$ 34,305,853	\$ 30,474,379	\$ 26,233,869	\$ 45,999,719	\$ 45,032,166
Business-Type Activities:										
Net Investment in Capital Assets	\$ 686,377	\$ 643,180	\$ 398,368	\$ 434,932	\$ 359,653	\$ 283,050	\$ 310,817	\$ 345,397	\$ 356,607	\$ 327,170
Unrestricted (Deficit)	507,294	145,163	221,324	208,489	313,554	419,183	366,103	326,063	316,850	332,455
Total Business-Type Activities	\$ 1,193,671	\$ 788,343	\$ 619,692	\$ 643,421	\$ 673,207	\$ 702,233	\$ 676,920	\$ 671,460	\$ 673,457	\$ 659,625
District-Wide:										
Net Investment in Capital Assets	\$ 63,232,248	\$ 62,692,770	\$ 60,339,864	\$ 57,140,243	\$ 53,763,835	\$ 50,609,329	\$ 46,413,758	\$ 43,205,292	\$ 34,319,817	\$ 35,588,414
Restricted	9,692,506	10,111,542	12,135,960	8,864,994	7,557,935	8,452,497	7,011,165	4,746,088	4,519,095	10,326,308
Unrestricted (Deficit)	(16,761,726)	(22,056,325)	(25,567,917)	(24,970,931)	(23,631,156)	(24,053,740)	(22,273,624)	(21,046,051)	7,834,264	(222,931)
Total District Net Position	\$ 56,163,028	\$ 50,747,987	\$ 46,907,907	\$ 41,034,306	\$ 37,690,614	\$ 35,008,086	\$ 31,151,299	\$ 26,905,329	\$ 46,673,176	\$ 45,691,791

Source: ACFR Schedule A-1

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

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 50,709,036	\$ 54,934,279	\$ 43,349,934	\$ 48,815,408	\$ 51,708,987	\$ 47,360,063	\$ 41,644,306	\$ 38,812,737	\$ 35,881,684	\$ 35,852,547
Special Education	20,562,075	12,531,759	12,287,361	11,981,547	12,742,003	18,829,601	16,686,291	15,383,599	13,183,818	12,785,736
Other Instruction	4,722,530	4,140,535	3,600,544	3,503,123	4,188,185	4,137,725	4,301,453	3,899,995	2,933,164	3,582,539
Nonpublic School Programs	-	-	286,134	243,995	235,282	211,020	200,447	169,623	157,033	172,750
Support Services:										
Tuition	1,457,631	1,869,785	2,424,369	1,818,934	2,721,703	2,187,105	2,167,769	2,146,011	2,002,297	1,912,991
Student & Instruction Related Services	14,036,103	14,133,175	14,255,555	15,683,290	15,861,888	14,567,546	12,977,350	12,185,012	10,450,249	9,653,363
Other Administrative Services	2,517,414	2,468,197	2,428,303	2,315,074	2,425,769	2,100,175	2,044,009	2,067,140	1,915,430	2,332,646
Central Services	915,556	930,376	-	-	-	-	-	-	-	-
Administration Information Technology Services	1,086,219	1,542,022	-	-	-	-	-	-	-	-
School Administrative Services	5,915,669	6,056,017	6,607,534	7,131,493	7,588,044	7,369,904	6,607,572	6,087,140	5,423,443	5,327,474
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
Plant Operations & Maintenance	11,703,677	11,815,389	12,625,527	11,304,569	10,341,640	9,133,883	9,152,971	8,867,078	8,762,802	7,482,966
Pupil Transportation	6,915,181	6,118,795	6,287,231	6,245,266	6,840,307	6,561,180	6,026,469	5,813,977	5,242,739	5,096,709
Interest & Other Charges	911,808	999,690	104,170	315,204	316,498	452,578	468,930	319,931	489,239	900,164
Total Governmental Activities	121,452,898	117,540,019	106,306,869	111,468,115	117,255,214	114,994,867	104,223,295	97,403,384	87,808,845	86,600,669
Expenses										
Business-Type Activities:										
Food Service	2,606,531	1,461,043	1,195,016	1,516,656	1,428,476	1,378,373	1,466,306	1,334,342	1,327,727	1,325,245
Total Business-Type Activities	2,606,531	1,461,043	1,195,016	1,516,656	1,428,476	1,378,373	1,466,306	1,334,342	1,327,727	1,325,245
Expense										
Total District Expenses	\$ 124,059,429	\$ 119,001,062	\$ 107,501,885	\$ 112,984,771	\$ 118,683,690	\$ 116,373,240	\$ 105,689,601	\$ 98,737,726	\$ 89,136,572	\$ 87,925,914
Program Revenues:										
Charges for Services	\$ -	\$ -	\$ -	\$ 196,257	\$ 207,364	\$ 730,708	\$ 813,455	\$ 701,446	\$ 709,437	\$ 792,518
Operating Grants & Contributions	36,954,599	32,156,605	21,684,063	25,501,358	31,677,611	19,511,076	13,224,474	15,722,047	8,968,290	10,214,131
Total Governmental Activities	36,954,599	32,156,605	21,684,063	25,697,615	31,884,975	20,241,784	14,037,929	16,423,493	9,677,727	11,006,649
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	413,458	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
Operating Grants & Contributions	2,598,401	1,619,808	372,324	319,491	295,151	252,551	296,018	224,701	268,620	285,295
Total Business Type Activities	3,011,859	1,629,694	1,171,287	1,486,870	1,399,450	1,404,050	1,471,766	1,332,345	1,341,559	1,362,983
Program Revenues										
Total District Program Revenues	\$ 39,966,458	\$ 33,786,299	\$ 22,855,350	\$ 27,184,485	\$ 33,284,425	\$ 21,645,834	\$ 15,509,695	\$ 17,755,838	\$ 11,019,286	\$ 12,369,632
Net (Expense)/Revenue:										
Governmental Activities	\$ (84,498,299)	\$ (85,383,414)	\$ (84,622,806)	\$ (85,770,500)	\$ (85,370,239)	\$ (94,753,083)	\$ (90,185,366)	\$ (80,979,891)	\$ (78,131,118)	\$ (75,594,020)
Business-Type Activities	405,328	168,651	(23,729)	(29,786)	(29,026)	25,677	5,460	(1,997)	13,832	37,738
Total District-Wide Net Expense	\$ (84,092,971)	\$ (85,214,763)	\$ (84,646,535)	\$ (85,800,286)	\$ (85,399,265)	\$ (94,727,406)	\$ (90,179,906)	\$ (80,981,888)	\$ (78,117,286)	\$ (75,556,282)

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>FISCAL YEAR ENDING JUNE 30,</b>										
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 79,200,098	\$ 77,647,155	\$ 74,806,764	\$ 73,339,965	\$ 71,901,926	\$ 71,178,461	\$ 68,007,538	\$ 63,742,279	\$ 62,607,136	\$ 62,003,011
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
Grants & Contributions	9,891,799	10,438,465	11,864,800	12,312,729	12,804,932	22,994,948	22,025,896	15,176,417	12,230,385	11,741,062
Investment Earnings	-	-	96,993	70,168	12,021	4,409	6,466	1,238	2,299	4,722
Tuition Received	118,549	42,285	-	-	-	-	-	-	-	-
Miscellaneous Income	297,566	94,906	648,458	353,426	318,528	460,430	444,343	265,860	376,994	287,533
Transfers In/Out	-	-	-	-	-	364	-	-	-	-
Special and Extraordinary Items	-	(10,087)	9,892	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>89,508,012</b>	<b>88,212,724</b>	<b>90,520,136</b>	<b>89,143,978</b>	<b>88,081,793</b>	<b>98,584,557</b>	<b>94,425,876</b>	<b>83,035,220</b>	<b>79,098,671</b>	<b>78,024,558</b>
Business-Type Activities:										
Transfers In/Out	-	-	-	-	-	(364)	-	-	-	-
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(364)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total District-Wide</b>	<b>\$ 89,508,012</b>	<b>\$ 88,212,724</b>	<b>\$ 90,520,136</b>	<b>\$ 89,143,978</b>	<b>\$ 88,081,793</b>	<b>\$ 98,584,193</b>	<b>\$ 94,425,876</b>	<b>\$ 83,035,220</b>	<b>\$ 79,098,671</b>	<b>\$ 78,024,558</b>
Change in Net Position:										
Governmental Activities	\$ 5,009,713	\$ 2,829,310	\$ 5,897,330	\$ 3,373,478	\$ 2,711,554	\$ 3,831,474	\$ 4,240,510	\$ 2,055,329	\$ 967,553	\$ 2,430,538
Business-Type Activities	405,328	168,651	(23,729)	(29,786)	(29,026)	25,313	5,460	(1,997)	13,832	37,738
<b>Total District</b>	<b>\$ 5,415,041</b>	<b>\$ 2,997,961</b>	<b>\$ 5,873,601</b>	<b>\$ 3,343,692</b>	<b>\$ 2,682,528</b>	<b>\$ 3,856,787</b>	<b>\$ 4,245,970</b>	<b>\$ 2,053,332</b>	<b>\$ 981,385</b>	<b>\$ 2,468,276</b>

Source: ACFR Schedule A-2

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

(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Restricted	\$ 9,590,905	\$ 10,001,169	\$ 12,126,067	\$ 8,864,994	\$ 7,557,935	\$ 8,452,495	\$ 6,953,497	\$ 4,746,086	\$ 4,795,192	\$ 10,183,855
Committed	-	-	818,077	908,957	1,896,829	1,118,967	242,378	517,490	4,503,346	789,215
Assigned	4,353,552	2,604,414	402,521	835,393	1,245,372	888,591	540,646	750,000	992,624	500,000
Unassigned	2,717,909	2,652,624	936,669	1,038,202	992,719	903,675	919,683	876,841	795,403	660,052
Total General Fund	\$ 16,662,366	\$ 15,258,207	\$ 14,283,334	\$ 11,647,546	\$ 11,692,855	\$ 11,363,728	\$ 8,656,204	\$ 6,890,417	\$ 11,086,565	\$ 12,133,122
All Other Governmental Funds:										
Restricted	\$ 101,601	\$ 100,481	\$ -	\$ -	\$ -	\$ 2	\$ 2	\$ 1	\$ 115,467	\$ 118,713
Assigned	-	9,894	9,894	1	-	-	-	-	-	23,740
Total All Other Governmental Funds	\$ 101,601	\$ 110,373	\$ 9,894	\$ 1	\$ -	\$ 2	\$ 2	\$ 1	\$ 115,467	\$ 142,453

Source: ACFR Schedule B-1

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

UNAUDITED  
(Modified Accrual Basis of Accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Revenues</b>										
Tax Levy	\$ 79,200,098	\$ 77,647,155	\$ 77,899,993	\$ 76,407,655	\$ 74,946,312	\$ 75,124,406	\$ 71,949,171	\$ 67,591,705	\$ 66,488,993	\$ 65,991,241
Tuition Charges	118,549	42,285	91,375	93,066	88,000	606,909	689,506	585,678	596,323	681,099
Interest Earnings	-	-	96,993	12,021	70,168	4,409	6,466	1,238	4,722	4,722
Miscellaneous	425,274	144,332	557,083	500,126	472,232	612,823	601,292	416,609	490,108	439,017
State Sources	30,935,545	27,709,742	26,240,330	25,823,795	25,037,696	23,196,629	22,224,133	20,849,007	19,816,041	20,540,165
Federal Sources	2,438,684	1,703,483	1,421,187	1,217,006	1,228,913	1,337,067	1,412,385	1,391,022	1,382,634	1,374,962
<b>Total Revenues</b>	<b>113,118,150</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>Expenditures</b>										
Instruction:										
Regular Instruction	26,004,696	28,836,295	27,199,430	41,820,235	41,130,875	35,630,723	33,944,530	33,169,906	33,143,569	34,507,618
Special Education Instruction	10,544,679	6,578,215	7,709,567	10,728,069	10,559,175	15,039,938	14,445,520	13,762,862	13,100,162	12,734,860
Other Instruction	2,421,816	2,173,464	2,345,824	3,160,636	3,495,268	3,399,493	3,708,410	3,482,093	2,933,164	3,582,539
Nonpublic School Programs	-	-	186,422	220,140	196,355	211,020	200,447	169,623	157,033	172,750
Support Services:										
Tuition	1,041,234	1,289,722	1,579,523	1,641,104	2,271,409	2,187,105	2,167,769	2,146,011	2,002,297	1,837,754
Attendance & Social Work Services	777,444	724,849	-	-	-	-	-	-	-	-
Health Services	1,030,187	944,148	-	-	-	-	-	-	-	-
Student & Instruction Related Services	8,218,819	8,079,648	8,944,485	14,058,779	13,154,581	11,643,131	11,211,083	10,877,061	10,357,292	9,596,830
Other Administrative Services	1,798,272	1,702,489	1,582,088	2,088,738	2,024,436	1,872,872	1,907,246	1,961,794	1,915,430	2,127,575
Central Services	654,012	641,746	-	-	-	-	-	-	-	-
Administration Information	775,922	1,063,641	-	-	-	-	-	-	-	-
Technology Services	4,225,737	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
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
Business Administrative Services	-	-	8,225,778	10,199,365	8,630,659	8,223,459	8,615,602	8,490,966	8,762,802	7,482,966
Plant Operations & Maintenance	4,939,741	4,220,563	4,490,046	6,070,587	6,007,250	5,653,980	5,471,156	5,432,651	5,264,514	5,119,521
Pupil Transportation	36,182,161	32,888,069	16,235,458	-	-	-	-	-	-	-
Unallocated Benefits	-	-	14,209,907	-	-	-	-	-	-	-
On Behalf TPAF Pension and Social Security Contributions	-	-	2,478,550	2,758,209	2,682,832	2,447,888	1,705,224	3,895,259	862,739	75,237
Charter Schools	5,882,875	19,236,715	-	-	-	-	-	-	-	558,174
Capital Outlay	-	-	3,745,000	3,650,000	3,570,000	4,465,000	4,375,000	4,235,000	4,105,000	3,510,000
Debt Service:										
Principal	-	-	35,933	99,716	151,235	211,250	280,731	400,325	510,673	1,264,963
Interest & Other Charges	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>113,229,666</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>
Other Financing Sources/(Uses):										
Capital Leases (Non-budgeted)	1,506,903	15,250,000	742,155	619,460	605,500	591,300	573,714	-	1,663,310	459,396
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	-	-	-	-	-	364	-	-	23,740	136,121
Transfers Out	-	-	-	-	-	-	-	-	(23,740)	(136,121)
<b>Total Other Financing Sources/(Uses)</b>	<b>1,506,903</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>1,663,310</b>	<b>636,672</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,395,387</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>\$ (4,311,614)</b>	<b>\$ (1,073,543)</b>	<b>\$ (75,606)</b>
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	3.76%	3.71%	3.78%	4.97%	5.11%	5.12%	5.40%	5.62%

Source: ACFR Schedule B-2

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

<u>FISCAL YEAR ENDING JUNE 30,</u>	<u>INTEREST ON INVESTMENTS</u>	<u>INTEREST ON CAPITAL RESERVE</u>	<u>TUITION OTHER</u>	<u>RENTALS</u>	<u>CONTRIBUTIONS</u>	<u>STUDENT FEES</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2022	\$ 3,000	\$ -	\$ 118,549	\$ 70,518	\$ -	\$ -	\$ 224,047	\$ 416,115
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
<b>Total</b>	<b>\$ 182,772</b>	<b>\$ 18,544</b>	<b>\$ 3,592,790</b>	<b>\$ 730,326</b>	<b>\$ 479,032</b>	<b>\$ 891,789</b>	<b>\$ 2,144,926</b>	<b>\$ 8,040,180</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>
2022	\$ 60,576,250	\$ 6,575,437,770	\$ 31,813,500	\$ 874,300	\$ 503,283,000	\$ 80,779,900	\$ 50,753,900	\$ 7,303,518,620	\$ -	\$ -	\$ 7,303,518,620	1.106	\$ 8,632,445,425
2021	53,888,350	6,566,454,270	31,805,300	905,600	497,299,500	80,779,900	50,753,900	7,281,886,820	-	-	7,281,886,820	1.088	8,223,019,294
2020	73,126,400	6,527,605,100	37,138,400	976,900	465,858,300	80,779,900	13,253,900	7,198,738,900	-	-	7,198,738,900	1.083	8,014,823,105
2019	72,740,400	6,536,377,400	37,138,400	986,900	465,915,800	80,779,900	16,162,900	7,210,101,700	-	-	7,210,101,700	1.082	7,999,685,880
2018	75,738,300	6,514,545,800	37,119,700	993,300	457,853,700	80,779,900	22,287,000	7,189,317,700	-	-	7,189,317,700	1.063	7,647,396,766
2017	62,232,800	6,511,414,300	38,867,800	1,079,700	457,480,800	79,030,300	22,287,000	7,172,392,700	-	-	7,172,392,700	1.045	7,458,811,044
2016	64,533,000	6,503,789,000	38,438,000	1,084,200	454,550,000	79,788,500	22,287,000	7,164,469,700	-	-	7,164,469,700	1.048	7,354,851,699
2015	69,839,100	6,439,597,624	37,757,200	1,094,700	444,223,200	82,478,300	21,756,900	7,096,747,024	-	-	7,096,747,024	1.014	7,224,893,419
2014	77,822,900	6,099,931,774	35,205,200	1,036,800	428,732,400	84,673,900	18,619,900	6,746,022,874	-	-	6,746,022,874	1.002	7,014,335,162
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

Source: District records tax list summary, & municipal tax assessor.  
 Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.  
 Reassessment occurs when ordered by the County Board of Taxation  
 a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies  
 b. Tax rates are per \$100

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

FISCAL YEAR ENDED JUNE 30,	MARLBORO TOWNSHIP BOARD OF EDUCATION			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	GENERAL OBLIGATION		TOTAL DIRECT	FREEHOLD REGIONAL SCHOOL DISTRICT	MARLBORO TOWNSHIP	LIBRARY/OTHER	MONMOUTH COUNTY	
	BASIC RATE (a)	DEBT SERVICE (b)						
2022	1.106	-	1.106	0.480	0.409	0.019	0.251	2.265
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

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	2022		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Marlboro Plaza Associates	\$ 48,593,686	1	0.665%
Union Hill Nine	32,382,046	2	0.443%
TMC Marlboro	23,850,000	3	0.327%
Amerian Plaza (Costco)	22,183,150	4	0.304%
Marlboro Commons LLC	13,475,886	5	0.185%
Marlboro Lowe's Retail Center	13,252,014	6	0.181%
CRP Royal Pines, LLC	12,860,026	7	0.176%
Brooks Edge Plaza, LLC	12,399,138	8	0.170%
Marlboro Business Park LLC	11,706,428	9	0.160%
Manzo Business Ventures LLC	9,588,760	10	0.131%
Total	<u>\$ 200,291,134</u>		<u>2.742%</u>

Taxpayer	2013		
	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 ACFR & Municipal Tax Assessor

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY (a)		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2022	\$ 79,200,098	\$ 79,200,098	100.00%	-
2021	77,647,155	77,647,155	100.00%	-
2020	77,899,993	77,899,993	100.00%	-
2019	76,407,655	76,407,655	100.00%	-
2018	74,946,312	74,946,312	100.00%	-
2017	75,124,406	75,124,406	100.00%	-
2016	71,949,171	71,949,171	100.00%	-
2015	67,591,705	67,591,705	100.00%	-
2014	66,488,993	66,488,993	100.00%	-
2013	65,991,241	65,991,241	100.00%	-

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

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

**Debt Capacity Information**

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

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			PERCENTAGE OF	
	GENERAL OBLIGATION BONDS	FINANCED PURCHASES	TOTAL DISTRICT	PERSONAL INCOME (a)	PER CAPITA (a)
2022	\$ -	\$ 15,580,432	\$ 15,580,432	5.00%	\$ 70,945
2021	-	1,421,561	1,421,561	4.92%	70,002
2020	-	1,325,300	1,325,300.00	5.21%	69,073
2019	3,745,000	1,187,570	4,932,570.00	1.38%	68,155
2018	7,395,000	1,051,241	8,446,241.00	0.80%	67,250
2017	10,965,000	803,589	11,768,589.00	0.56%	66,357
2016	15,430,000	563,592	15,993,592.00	0.41%	65,475
2015	19,805,000	320,463	20,125,463.00	0.32%	64,606
2014	24,040,000	593,771	24,633,771.00	0.26%	63,748
2013	28,145,000	763,222	28,908,222.00	0.22%	62,901

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

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUSTANDING				NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE (a) OF PROPERTY PER CAPITA (b)	
	GENERAL OBLIGATION BONDS	FINANCED PURCHASES	DEDUCTIONS				
2022	\$ -	\$ 15,580,432	\$ -		\$ 15,580,432	N/A	70,945
2021	-	1,421,561	-		1,421,561	N/A	70,002
2020	-	1,325,300	-		1,325,300	N/A	69,073
2019	3,745,000	1,187,570	-		4,932,570	0.07%	68,155
2018	7,395,000	1,051,241	-		8,446,241	0.12%	67,250
2017	10,965,000	803,589	-		11,768,589	0.16%	66,357
2016	15,430,000	563,592	-		15,993,592	0.22%	65,475
2015	19,805,000	320,463	-		20,125,463	0.28%	64,606
2014	24,040,000	593,771	-		24,633,771	0.37%	63,748
2013	28,145,000	763,222	-		28,908,222	0.43%	62,901

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

a See Exhibit J-6 for See Exhibit J-6 for property tax data.

b Population data ca Population data can be found in Exhibit J-14.

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
YEAR ENDED JUNE 30, 2022  
UNAUDITED**

<b>GOVERNMENTAL UNIT</b>	<b>DEBT OUTSTANDING</b>	<b>ESTIMATED PERCENTAGE APPLICABLE</b>	<b>SHARE OF OVERLAPPING DEBT</b>
Debt Repaid With Property Taxes:			
Marlboro Township	\$ 59,212,516	100.00%	\$ 59,212,516
Other Debt:			
Marlboro Township Water Utility	34,562,021	100.00%	34,562,021
Marlboro Township Recreation and Swim Utility	1,253,934	100.00%	1,253,934
Western Monmouth Utility Authority	6,828,683	49.82%	3,401,777
Freehold Regional High School	3,378,651	24.07%	813,268
Monmouth County	557,986,966	6.25%	<u>34,868,606</u>
Subtotal, Overlapping Debt			134,112,121.55
Marlboro Township School District Direct Debt			<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 134,112,121.55</u></u>

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

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

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

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

	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	\$ 242,375,283	\$ 242,839,100	\$ 236,619,058	\$ 227,313,937	\$ 217,215,595	\$ 209,420,562	\$ 215,940,803	\$ 212,525,058	\$ 212,938,098	\$ 217,289,143
Total Net Debt Applicable to Limit	15,580,432	-	4,010,338	7,550,484	7,395,000	10,965,000	15,430,000	19,805,000	24,040,000	28,145,000
Legal Debt Margin	\$ 226,794,851	\$ 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
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	1.69%	3.32%	3.40%	5.24%	7.15%	9.32%	11.29%	12.95%

Legal Debt Margin Calculation

Equalized Valuation Basis	
2021	\$ 8,223,019,294
2020	8,014,823,105
2019	7,999,685,880
	<u>\$ 24,237,528,279</u>
	<u>\$ 8,079,176,093</u>
	\$ 242,375,283
	<u>15,580,432.00</u>
	<u>\$ 226,794,851</u>

Average Equalized Valuation of Taxable Property  
 Debt Limit (3% of Average Equalization Value)  
 Net Bonded School Debt  
 Legal Debt Margin

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>
2022	41,547	2,341,297,323	70,945	4.70%
2021	41,502	2,336,624,075	70,002	6.90%
2020	39,640	2,331,960,155	69,073	6.90%
2019	39,874	2,327,305,544	68,155	3.00%
2018	40,306	2,322,660,223	67,250	3.40%
2017	40,330	2,318,024,175	66,357	3.80%
2016	40,684	-	65,475	4.00%
2015	40,671	-	64,606	4.90%
2014	40,709	-	63,748	4.70%
2013	40,673	-	62,901	6.80%

**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.

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

<sup>d</sup> 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**

	2022		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Marlboro Township Board of Education	833	1	N/A
Marlboro Township	276	2	N/A
Shop Rite	252	3	N/A
Kohls	208	4	N/A
Costco	207	5	N/A
Freehold Regional Board of Education	184	6	N/A
First Student	100	7	N/A
Whole Foods	146	8	N/A
Hobby Lobby	94	9	N/A
Whole Foods Market	73	10	N/A
Total	2,373		N/A

	2013		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Marlboro Township Board of Education	847	1	N/A
Marlboro Township	225	2	N/A
Shop Rite	268	3	N/A
Freehold Regional Board of Education	232	4	N/A
Lowe's	161	5	N/A
Pathmark	137	6	N/A
Home Depot	117	7	N/A
Acme	102	8	N/A
Arrow Woven-Label, Inc.	62	9	N/A
Century 21 - Mack Morris Iris	55	10	N/A
Total	2,206		N/A

Source: Township Administration Office

Note: Percentage of total employment not available



### **Operating Information**

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

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

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction:										
Regular	304	308	347	348	369	330	325	319	350	340
Special Education	117	112	60	60	66	108	109	101	129	141
Support Services:										
Student & Instruction Related Services	168	165	176	175	178	182	169	167	128	120
General Administration	9	8	8	8	8	8	9	8	8	8
School Administrative Services	41	41	42	42	42	37	37	37	37	37
Central Services	15	16	15	14	14	14	14	14	12	12
Plant Operations & Maintenance	89	88	88	88	88	90	88	88	81	83
Pupil Transportation	90	91	87	87	91	99	91	91	90	90
<b>Total</b>	<b>833</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>

**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				
2022	4,625	\$ 94,338,364	\$ 20,397	-0.56%	506	1:23	1:24	4,586	4,502	0.66%	98.17%
2021	4,589	94,134,816	20,513	0.19%	507	1:23	1:24	4,556	4,459	-4.35%	97.87%
2020	4,796	98,190,103	20,473	1.32%	507	1:23	1:24	4,763	4,624	-0.31%	97.08%
2019	4,863	98,268,659	20,207	6.42%	506	1:23	1:24	4,778	4,573	-1.71%	95.71%
2018	4,961	94,200,419	18,988	6.12%	504	1:23	1:24	4,861	4,644	-1.14%	95.54%
2017	5,034	90,074,903	17,893	3.97%	508	1:23	1:24	4,917	4,732	-2.27%	96.24%
2016	5,095	87,686,302	17,210	6.73%	507	1:23	1:24	5,031	4,844	-2.29%	96.28%
2015	5,274	85,042,500	16,125	0.52%	486	1:23	1:24	5,149	4,958	-2.18%	96.29%
2014	5,324	85,400,578	16,041	5.05%	516	1:23	1:24	5,264	5,074	-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%

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<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	268	218	212	237	248	398	394	379	366	400
Enrollment										
Elementary Schools:										
Defino Central (1956):										
Square Feet	79,452	79,452	79,452	79,452	79,452	79,452	79,452	79,452	79,452	79,452
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	568	525	518	527	502	457	507	546	566	578
Robertsville (1967):										
Square Feet	70,880	70,880	70,880	70,880	70,880	70,880	70,880	70,880	70,880	70,880
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	451	466	456	476	534	577	556	535	490	499
Marlboro Elementary (1970):										
Square Feet	74,129	74,129	74,129	74,129	74,129	74,129	74,129	74,129	74,129	74,129
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	467	486	457	497	512	471	473	517	520	551
Asher Holmes (1973):										
Square Feet	70,825	70,825	70,825	70,825	70,825	70,825	70,825	70,825	70,825	70,825
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	485	469	456	497	572	592	587	620	634	633
Frank J. Dugan (1988):										
Square Feet	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	678	624	623	642	598	546	572	620	642	669
Middle School:										
Marlboro Middle (1976):										
Square Feet	198,820	198,820	198,820	198,820	198,820	198,820	198,820	198,820	198,820	198,820
Capacity	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,035	994	995	1,058	1,059	1,031	1,077	1,105	1,142	1,132
Memorial Middle School (2003):										
Square Feet	153,275	153,275	153,275	153,275	153,275	153,275	153,275	153,275	153,275	153,275
Capacity	990	990	990	990	990	990	990	990	990	990
Enrollment	815	807	800	845	901	925	939	963	1,018	1,048

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

<u>DISTRICT BUILDINGS</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</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, 2022:

- 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)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Defino Central Elementary	N/A	\$ 131,522	\$ 293,651	\$ 84,749	\$ 280,625	\$ 53,151	\$ 28,070	\$ 158,167	\$ 36,931	\$ 78,466	\$ 132,945
Frank Dugan Elementary	N/A	196,679	322,298	139,047	47,559	43,051	64,625	527,859	397,007	79,559	32,424
David C. Abbott Early Learning Center	N/A	56,850	110,538	52,896	76,101	71,417	24,967	33,120	38,664	79,978	31,595
Marlboro Elementary	N/A	105,499	188,844	56,691	96,752	35,738	120,542	32,632	29,061	83,644	116,040
Marlboro Memorial Middle School	N/A	81,697	111,742	111,029	54,374	86,669	153,591	91,475	24,334	107,463	22,484
Marlboro Middle School	N/A	156,672	300,383	130,569	616,552	142,134	139,900	94,582	159,413	284,385	174,036
Robertsville Elementary	N/A	113,044	196,147	99,767	65,162	44,612	90,448	65,240	188,114	275,712	109,340
Asher Holmes Elementary	N/A	98,929	153,606	72,823	186,888	52,944	33,001	31,800	181,916	86,182	233,122
Total School Facilities		940,892	1,677,209	747,571	1,424,013	529,716	655,144	1,034,875	1,055,440	1,075,389	851,986
Other Facilities		-	257,468.00	257,468	32,622	31,201	42,380	328,703	53,948	84,605	27,852
Grand Total		\$ 940,892	\$ 1,934,677	\$ 1,005,039	\$ 1,456,635	\$ 560,917	\$ 697,524	\$ 1,363,578	\$ 1,109,388	\$ 1,159,994	\$ 879,838

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2022**  
**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, 2022  
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, 2022, 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 March 17, 2023.

#### **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  
March 17, 2023

**EXHIBIT K-2**

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

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

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited the Marlboro Township School District's compliance with types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2022. The Marlboro Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Marlboro Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts of grant agreements applicable to the Marlboro Township School District's federal and state programs.

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

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

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

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

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

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty

Certified Public Accountant

Public School Accountant, No. 2470

Lakewood, New Jersey

March 17, 2023

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MARLBORO TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2021	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	BALANCE, JUNE 30, 2022				
													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: P-EBT Administrative Costs Grant	93.778 93.778	2005NSMAP 2005NSMAP	100-034-7540-211 100-034-7540-211	15,237 21,291	7/1/21-6/30/22 7/1/20-6/30/21	- (3,100)	- (3,100)	12,160 3,100	(15,737) -	- -	- -	- -	- -	-\$ -	-\$ -	(3,577) -	
<b>Total U.S. Department of Health and Human Services</b>						(3,100)	-	15,260	(15,737)	-	-	-	-	-	-	(3,577)	
<b>U.S. Department of Agriculture</b>																	
Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster: National School Lunch Program National School Lunch Program Emergency Operational Cost Program - Schools Food Distribution Program (Noncash Assistance) Total Child Nutrition Cluster	10.555 10.555 10.555 10.555 10.555	221NJ304N1099 201NJ304N1099 201NJ304N1099 202121H704A1 201NJ304N1099	100-010-3350-028 100-010-3350-021 100-010-3350-021 100-010-3350-112 Unavailable Unavailable	2,347,492 1,259,129 482,998 30,997 45,000 1,085,586	7/1/21-6/30/22 7/1/20-6/30/21 7/1/20-6/30/23 7/1/21-6/30/22 7/1/21-6/30/22 7/1/20-6/30/21	(165,137) (1,476) (2,784) 150 22,648 (143,959)	- - - - - -	2,157,313 165,130 482,998 16,553 190,494 -	(2,347,472) - (379,041) (10,553) (6,383) (22,648) (2,552,193)	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- -	- -	(190,159) - - - - -	
<b>Total U.S. Department of Agriculture</b>						(143,959)	-	2,515,806	(2,552,433)	-	-	-	-	-	-	(190,159)	
<b>U.S. Department of Education</b>																	
Passed Through New Jersey Department of Education: Education Stabilization Fund Elementary and Secondary Education Relief CARES - ESSER I CARES - ESSER II CRRA - Learning Acceleration CRRA - Mental Health Grant ARP - ESSER II	84.425D 84.425D 84.425D 84.425D 84.425D 84.425D 84.425D	S42SD20027 S42SD20027 S42SD20027 S42SD20027 S42SD20027 S42SD20027 S42SD20027	100-034-5120-513 100-034-5120-518 100-034-5120-518 100-034-5120-518 Unavailable Unavailable	129,897 482,998 30,997 45,000 1,085,586	3/13/20-10/15/22 3/13/20-9/30/23 3/13/20-9/30/23 3/13/20-9/30/23 3/13/20-9/30/24 3/13/20-9/30/24	(3,777) (2,784) - - (11,850) (23,301)	- - - - - -	4,103 425,191 16,553 6,383 482,230 -	- (379,041) (10,553) (6,383) (91,714) (1,326,691) -	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- -	326 -	- -	
<b>Total U.S. Department of Education</b>						(90,654)	-	90,654	(136,960)	-	-	-	-	-	-	(100,230)	
<b>Elementary and Secondary Education Act (E.S.E.A)</b>																	
Title I - Part A Title I - Part A	84.010A 84.010A	S010A210030 S010A20030	100-034-5064-194 100-034-5064-194	130,708 147,340	7/1/21-6/30/22 7/1/20-6/30/21	- (90,654)	- (90,654)	36,730 90,654	(136,960) (136,960)	- -	- -	- -	- -	- -	- -	(100,230) (100,230)	
Title II - Part A, Supporting Effective Instruction Title II - Part A, Supporting Effective Instruction	84.367A 84.367A	S367A210029 S367A20029	100-034-5065-290 100-034-5065-290	63,106 74,075	7/1/21-6/30/22 7/1/20-6/30/21	- (27,433)	- (27,433)	41,197 66,650	(65,723) (65,723)	- -	- -	- -	- -	- -	- -	(24,526) (24,526)	
Title III - English Language Acquisition Title III - English Language Acquisition	84.365A 84.365A	S365A210030 S365A20030	100-034-5064-187 100-034-5064-187	19,977 21,023	7/1/21-6/30/22 7/1/20-6/30/21	- (19,121)	- (19,121)	4,098 19,121	(29,389) (29,389)	- -	- -	- -	- -	- -	- -	(25,291) (25,291)	
Title IV - Student Support & Academic Enrichment	84.424	S424A210031	100-034-5064-187	10,756	7/1/21-6/30/22	-	-	10,366	(10,589)	-	-	-	-	-	-	(223)	
Special Education Cluster: I.D.E.A. Part B I.D.E.A. Part B ARP - I.D.E.A. Part B	84.027A 84.027A 84.027X	I1027A210100 I1027A20100 I027X210100	100-034-5065-016 100-034-5065-016 100-034-5065-016	992,205 1,035,099 207,783	7/1/21-6/30/22 7/1/20-6/30/21 7/1/21-9/30/22	- (307,662) (307,662)	- (307,662) (307,662)	694,736 979,660 78,901	(813,940) (146,673) (146,673)	- -	- -	- -	- -	- -	- -	(119,214) (67,772) (186,988)	
I.D.E.A. Preschool I.D.E.A. Preschool ARP - I.D.E.A. Preschool	84.173A 84.173A 84.173X	H173A210114 H173A20114 H173X210114	100-034-5065-020 100-034-5065-020 100-034-5065-020	67,325 67,069 17,736	7/1/21-6/30/22 7/1/20-6/30/21 7/1/21-6/30/22	- (12,375) (12,375)	- (12,375) (12,375)	66,971 12,375 12,089	(111,168) (15,705) (15,705)	- -	- -	- -	- -	- -	- -	(44,197) (3,616) (47,813)	
Total Special Education Cluster						(220,037)	-	1,072,724	(1,087,486)	-	-	-	-	-	-	(234,799)	
<b>Total U.S. Department of Education</b>						(651,106)	-	1,754,553	(2,633,838)	-	-	-	-	-	-	(1,530,717)	
<b>U.S. Department of Treasury</b>																	
Passed Through New Jersey Department of Treasury: Bridging the Digital Divide	21.019	SLT0007	100-034-5120-516	9,528	3/13/20-9/30/23	-	-	-	(122,829)	-	-	-	-	-	-	110	
<b>Total U.S. Department of Treasury</b>						-	-	-	(122,829)	-	-	-	-	-	-	110	
<b>U.S. Department of Homeland Security</b>																	
Passed Through New Jersey Department of Law and Public Safety: Coronavirus Pandemic Public Assistance Grant	97.0316	Unavailable	100-066-1200-C50	122,829	7/1/21-6/30/22	-	-	122,829	(122,829)	-	-	-	-	-	-	110	
<b>Total U.S. Department of Law and Public Safety</b>						-	-	122,829	(122,829)	-	-	-	-	-	-	110	
<b>Total Expenditures of Federal Awards</b>						-\$	-\$	4,408,448	-\$	-\$	-\$	-\$	-\$	-\$	-\$	9,007	-\$
						-\$	-\$	4,408,448	-\$	-\$	-\$	-\$	-\$	-\$	-\$	9,007	-\$

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, 2022

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2021	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS' BALANCES	ADJUSTMENT	BALANCE JUNE 30, 2022		MEMO		
											UNEARNED REVENUE	(ACCOUNTS RECEIVABLE)	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
<b>New Jersey Department of Education:</b>															
General Fund:															
State Aid Public:															
Special Education Categorical Aid	495-034-5120-089	\$ 3,375,643	7/1/21-6/30/22	-	-	\$ 3,375,643	(\$ 3,375,643)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 332,744	\$ 3,375,643
Security Aid	495-034-5120-084	349,448	7/1/21-6/30/22	-	-	349,448	(349,448)	-	-	-	-	-	-	34,446	349,448
Equalization Aid	495-034-5120-078	3,709,611	7/1/21-6/30/22	-	-	3,709,611	(3,709,611)	-	-	-	-	-	-	365,664	3,709,611
Total State Aid Public:		7,434,702		-	-	7,434,702	(7,434,702)	-	-	-	-	-	-	732,853	7,434,702
Transportation Aid	495-034-5120-014	1,189,069	7/1/21-6/30/22	-	-	1,189,069	(1,189,069)	-	-	-	-	-	-	117,209	1,189,069
Extracurricular Aid	495-034-5120-044	335,973	7/1/21-6/30/22	-	-	335,973	(335,973)	-	-	-	-	-	-	-	335,973
Additional Non-Public Transportation Aid	495-034-5120-044	523,696	7/1/20-6/30/21	(523,696)	-	523,696	(66,987)	-	-	-	(66,987)	-	-	-	66,987
Additional Non-Public Transportation Aid	495-034-5120-014	66,987	7/1/20-6/30/21	(49,590)	-	49,590	(150,844)	-	-	-	(150,844)	-	-	-	150,844
Securing Our Children's Future Bond Act (Alyssa's Law)	495-034-5120-014	49,590	7/1/21-6/30/22	-	-	49,590	(150,844)	-	-	-	(150,844)	-	-	-	150,844
Retirement	495-034-5120-022	253,929	7/1/21-6/30/22	-	-	2,917,678	(3,068,708)	-	-	-	(151,030)	-	-	-	3,068,708
Retirement TPAF Social Security Contributions	495-034-5120-022	3,068,708	7/1/20-6/30/21	(146,587)	-	146,587	-	-	-	-	-	-	-	-	-
TPAF - Post Retirement	495-034-5094-003	2,982,304	7/1/20-6/30/21	(146,587)	-	146,587	-	-	-	-	-	-	-	-	-
Medical (Noncash Assistance)	495-034-5094-001	3,477,877	7/1/21-6/30/22	-	-	3,477,877	(3,477,877)	-	-	-	-	-	-	-	3,477,877
TPAF - Pension	495-034-5094-002	14,885,597	7/1/21-6/30/22	-	-	14,885,597	(14,885,597)	-	-	-	-	-	-	-	14,885,597
TPAF - Long-Term Disability	495-034-5094-004	5,395	7/1/21-6/30/22	-	-	5,395	(5,395)	-	-	-	-	-	-	-	5,395
Insurance (Noncash Assistance)															
Total General Fund		719,873		(719,873)	-	30,630,191	(30,615,152)	-	-	-	(704,834)	-	-	850,062	30,615,152
Special Revenue Fund:															
Non-Public Aid:															
Textbooks	100-034-5120-064	15,005	7/1/21-6/30/22	-	-	15,005	(14,226)	-	-	-	-	-	-	779	14,226
Textbooks	100-034-5120-064	13,380	7/1/20-6/30/21	396	-	29,120	(24,026)	-	(396)	-	-	-	-	-	-
Nursing Services	100-034-5120-070	29,120	7/1/21-6/30/22	-	-	29,120	(9,783)	-	(95)	-	-	-	-	5,094	24,026
Nursing Services	100-034-5120-070	25,460	7/1/20-6/30/21	95	-	10,500	(9,783)	-	(95)	-	-	-	-	716	9,783
Technology Aid	100-034-5120-373	45,000	7/1/21-6/30/22	-	-	45,000	(40,389)	(1)	-	-	-	-	-	4,511	40,389
Security Aid	100-034-5120-389	40,250	7/1/20-6/30/21	168	-	43,356	(38,001)	-	(168)	-	-	-	-	-	-
Auxiliary Services Aid (Chapter 192):															
Compensatory Education	100-034-5120-067	43,356	7/1/21-6/30/22	-	-	43,356	(36,578)	-	-	-	-	-	-	5,355	38,001
Compensatory Education	100-034-5120-067	57,480	7/1/20-6/30/21	36,578	-	1,645	(645)	-	(36,578)	-	-	-	-	1,000	645
English as a Second Language	100-034-5120-067	1,645	7/1/21-6/30/22	-	-	6,998	(6,998)	-	-	-	-	-	-	-	6,998
Transportation	100-034-5120-068	6,998	7/1/21-6/30/22	-	-	36,776	(35,830)	-	-	-	-	-	-	946	35,830
Handicapped Services (Chapter 193):															
Examination and Classification	100-034-5120-066	36,776	7/1/21-6/30/22	-	-	36,776	(8,369)	-	-	-	-	-	-	930	10,230
Examination and Classification	100-034-5120-066	44,029	7/1/20-6/30/21	8,369	-	11,160	(10,230)	-	(8,369)	-	-	-	-	-	-
Examination and Classification	100-034-5120-066	11,160	7/1/21-6/30/22	2,734	-	26,432	(26,432)	-	(2,734)	-	-	-	-	-	26,432
Corrective Speech	100-034-5120-066	14,582	7/1/21-6/30/22	-	-	109,576	(109,576)	-	-	-	-	-	-	-	109,576
Corrective Speech	100-034-5120-066	26,432	7/1/20-6/30/21	8,904	-	33,998	(33,998)	-	(8,904)	-	-	-	-	-	-
Supplementary Instruction	100-034-5120-066	33,998	7/1/21-6/30/22	-	-	33,998	(33,998)	-	-	-	-	-	-	-	-
Supplementary Instruction	100-034-5120-066	109,576	7/1/20-6/30/21	109,576	-	-	-	-	-	-	-	-	-	-	-
SDA Emergent Needs and Capital Maintenance	100-034-5120-519														
Total Special Revenue Fund		57,244		(57,244)	-	336,068	(316,736)	-	(57,244)	-	-	-	-	19,331	316,736
<b>New Jersey Department of Agriculture:</b>															
Enterprise Fund:															
National School Lunch Program	100-010-3350-023	44,966	7/1/21-6/30/22	-	-	41,293	(44,966)	-	-	-	(3,673)	-	-	-	44,966
National School Lunch Program	100-010-3350-023	55,836	7/1/20-6/30/21	(13,517)	-	13,517	-	-	-	-	-	-	-	-	-
Total Enterprise Fund				(13,517)	-	54,810	(44,966)	-	-	-	(3,673)	-	-	-	44,966
Total State Financial Assistance				(676,146)	-	31,021,069	(30,976,854)	\$ -	\$ (57,244)	\$ -	(708,507)	\$ -	\$ (19,331)	\$ 850,062	\$ 30,976,854
<b>State Financial Assistance Programs not Subject to Calculation for Major Program Determination:</b>															
TPAF - Post Retirement	495-034-5094-001	\$ 3,477,877	7/1/21-6/30/22	-	-	\$ 3,477,877	-	-	-	-	-	-	-	-	-
Medical (Noncash Assistance)															
TPAF - Pension	495-034-5094-002	14,885,597	7/1/21-6/30/22	-	-	14,885,597	-	-	-	-	-	-	-	-	-
Contributions (Noncash Assistance)															
TPAF - Long-Term Disability	495-034-5094-004	5,395	7/1/21-6/30/22	-	-	5,395	-	-	-	-	-	-	-	-	-
Insurance (Noncash Assistance)															
Total State Financial Assistance Subject to Calculation for Major Program Determination															

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, 2022**

**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, 2022. 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, 2022.

**MARLBORO TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2022 (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 \$109,339 for the general fund and (\$319,942) 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	\$ 15,737	\$ 30,724,491	\$ 30,740,228
Special Revenue Fund*	2,422,947	211,054	2,634,001
Food Service Fund	2,553,435	44,966	2,598,401
Total Awards & Financial Assistance	<u>\$ 4,992,119</u>	<u>\$ 30,980,511</u>	<u>\$ 35,972,630</u>

\*Federal monies in the Special Revenue Fund represent FEMA monies received in 2022 for prior years' expenditures. In accordance with the Federal Emergency Management Agency, expenditures for Public Assistance Grants are recorded only when FEMA funds have been released to the District.

**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, 2022.



**MARLBORO TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued \_\_\_\_\_ Unmodified \_\_\_\_\_

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_\_\_ yes       X       no

2) Significant 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>
84.425	S425D210027	Education Stabilization Fund
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

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



**MARLBORO TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

**Section II - Financial Statement Findings**

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

None.

**MARLBORO TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

**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, 2022**

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.