

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT

Red Bank, New Jersey
County of Monmouth

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2020**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
RED BANK, NEW JERSEY**

YEAR ENDED JUNE 30, 2020

**PREPARED BY DISTRICT FINANCE OFFICER
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY**

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INTRODUCTORY SECTION

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Red Bank Borough Public Schools

Dream BIG...We'll help you get there!

76 Branch Avenue | Red Bank, NJ 07701
732-758-1507 | 732-212-1356 (FAX)
rbb.k12.nj.us | [@RedBankSup](https://www.instagram.com/RedBankSup) | rumagej@rbb.k12.nj.us

Jared J. Rumage, Ed.D.
Superintendent of Schools



January 29, 2021

Honorable President and Members of the Board of Education
Red Bank Borough Schools
County of Monmouth, New Jersey

Dear Board Members/Citizens:

I am pleased to submit The Comprehensive Annual Financial Report of the Red Bank School District (hereafter the "District") for the fiscal year ending June 30, 2020. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the independent Auditor's Report, Management Discussion and Analysis (MD&A) and the basic financial statements including the government-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplemental information (RSI). The Statistical section includes selected financial and demographic information presented on a multi-year basis. 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 New Jersey OMB's *Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board as established by GASB 14, amended by GASB Statements No. 39, 61, and 80. All funds of the District are included in this report. The Red Bank Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Preschool through 8.

In the 2019-2020 fiscal year, the District's official enrollment was 1,412 resident students. The following details the changes in the student enrollment of the District over the last ten years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	1412	-1.12%
2018-2019	1428	1.85%
2017-2018	1402	-2.77%
2016-2017	1442	0.35%
2015-2016	1418	1.72%
2014-2015	1397	2.12%
2013-2014	1368	3.64%
2012-2013	1320	25.12%
2011-2012	1055	6.03%
2010-2011	995	3.43%

2. ECONOMIC CONDITION AND OUTLOOK: While the economy today is showing some signs of positive economic growth, there are still many uncertainties for the future considering the impacts of the COVID 19 Pandemic on the economy and families.

The major funding source for the operating budget continues to be the local tax levy. The local tax levy funded 69.25% of the 2019-2020 (75% of the 2018-2019) final general budget. The reliance on the local taxpayers to fund the majority of the District's budget will likely continue until the District is fully funded by the State.

The projected official enrollment for the 2020-2021 school year is approximately 1,400 resident students.

The school facilities are aging and require additional maintenance every year. The Primary School was built in the early 1970's. The original Middle School building was built in 1917 and expanded/renovated in 1954, 1972, 1979 and 2005. In November 2019 a referendum was passed by the Red Bank voters to issue \$6,750,000 in bonds to be used for Primary and Middle School building renovations and replacements. Renovations began during the spring and summer of 2020. Projects include a new roof at the Primary School, new windows and exterior brick repair at the Middle School, and HVAC upgrades at the Primary School including new Air Conditioning installation in the Primary School Gym.

3. MAJOR INITIATIVES: The major financial initiatives of the District include proper curricular materials for students, appropriate staffing, security, maintenance and improvement of facilities and technology maintenance and improvements required for NJSLA and the operation of the District.

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. 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. Project-length budgets are approved for the capital improvements accounted for in the capital projects 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.

Beginning with the 2012-2013 budget, the state of New Jersey 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 Red Bank Borough Board of Education elected to eliminate the budget vote at that time. In addition to the 2% limit on tax levy increases, there are restrictions on budget transfers during the year that can be made without NJDOE approval.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance at fiscal yearend. The Business Administrator and the Superintendent meet with the Finance Committee regularly to review the school budget and areas of concern.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles as promulgated by the Government Accounting Standards Board (GASB). The accounting system of the District is organized based on funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

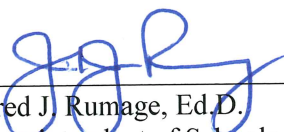
7. OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accounts or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements 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 New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports, related specifically to the single audit are included in the single audit section of this report.


8. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Red Bank 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.

Respectfully Submitted,



Jared J. Ramage, Ed.D.
Superintendent of Schools



Eileen Gorga
Business Administrator/Board Secretary

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Organizational Chart

Red Bank Borough Board of Education

Superintendent of Schools

Secretary to the Superintendent	Business Administrator	Supervisor of PreK Education	Supervisor of Special Education	Supervisor of Curriculum & Instruction/ESL/BIL/WLP	Director of Technology	Middle School Principal	Primary School Principal
	Business Office Support Staff	PreK Master Teacher/Coaches	Child Study Team	ELL Instructional Coach	Visual Technology Coordinator	Middle School Vice Principal	Primary School Vice Principal
	Director of Facilities	PreK Teachers	District Nursing Staff	ELL & WL Teachers	Computer Technology Associates	Climate & Cultural Specialist	PS Teachers
	Assistant Director of Facilities	PreK Instructional Assistants	District Guidance Staff	ELL & WL Instructional Assistants		MS Teachers	PS Instructional Assistants
	Maintenance/Custodial Staff	PreK Support Staff	Special Education Teachers	Curriculum & Instruction Support Staff		MS Instructional Assistants	PS Support Staff
		Special Education Instructional Assistants				MS Support Staff	
		Special Education Services					
		Child Study Team Secretary					

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**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
RED BANK, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2020**

Members of the Board of Education

TERM EXPIRES

Dr. Frederick Stone, President	2021
Dominic Kalorin, Vice President	2021
Anne Amato	2020
Ben Forest	2022
Laura Camargo	2020
Ann Roseman	2021
Suzanne Viscomi	2022
Erik Perry	2022
Jennifer H. Garcia	2023

Other Officials

Dr. Jared Ramage, Superintendent of Schools
Eileen Gorga, School Business Administrator/Board Secretary
Frank Mason, Treasurer of School Monies
Jonathan M. Busch, Esq., Board Attorney

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**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
RED BANK, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2020**

AUDITOR/AUDIT FIRM

Robert Allison, CPA, PSA
Holman Frenia Allison, P. C.
680 Hooper Avenue Building B
Toms River, New Jersey 08753

ATTORNEY

Jonathan M. Busch, Esq
Busch Law Group
450 Main Street
Metuchen, NJ 08840

Bond & Special Council

Charles Anthony Solimine, Esq.
Wilentz, Goldman & Spitzer, P.A.
90 Woodbridge Center Drive, Suite 900
Woodbridge, New Jersey 07095

OFFICIAL DEPOSITORY

PNC Bank (primary depository)
Bank of America
Bank of New York
TD Bank
JP Morgan Chase
Staet of New Jersey Cash Management Fund
Peapack-Gladstone Bank

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ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Red Bank Borough School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

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



A handwritten signature in black ink, reading 'Claire Hertz'. The signature is written in a cursive style and is positioned above a horizontal line.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'. The signature is written in a cursive style and is positioned above a horizontal line.

David J. Lewis
Executive Director

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FINANCIAL SECTION

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INDEPENDENT AUDITORS REPORT

Honorable President and Members
of the Board of Education
Red Bank Borough Public School District
County of Monmouth
Red Bank, NJ 07724

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Red Bank Borough Public School District, County of Monmouth, State of New Jersey, as of and for the fiscal year ended, June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Red Bank Borough Public School District, County of Monmouth, State of New Jersey, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 29, 2021 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 the effectiveness of the School District's 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.

Robert W. Allison
Certified Public Accountant
Public School Accountant, No. 897

Toms River, New Jersey
January 29, 2021

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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RED BANK BOROUGH PUBLIC SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

This section of the Red Bank Borough Public School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. 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 (2019-2020) and the prior fiscal year (2018-2019) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2020 are as follows:

- In total, net position of governmental activities increased \$1,282,198.97, which represents a 12.042% increase from 2019. Total net position of business-type activities decreased \$37,063.55, which represents a 7.26% decrease from 2019.
- General revenues accounted for \$24,636,885.92 in revenue or 70.46% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$10,327,557.98 or 29.54% of total revenues of \$34,964,443.90.
- Total assets of governmental activities increased by \$1,360,480.62 as cash and cash equivalents increased by \$217,890.30, receivables decreased by \$356,781.48, restricted cash and cash equivalents increased by \$681,019.17, and total capital assets increased by \$818,352.63.
- Total liabilities of governmental activities decreased by \$1,010,684.92 as non-current liabilities due beyond one year decreased by \$1,210,341.50.
- The District had \$32,777,807.39 in governmental activity expenses; only \$9,424,379.72 of these expenses were offset by program specific charges for services, grants, or contributions.
- In the governmental funds, the general fund had \$27,063,004.72 in revenues and \$26,125,928.46 in expenditures and transfers. The general fund's fund balance increased by \$937,076.26 over 2019.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the Red Bank Borough Public School Board of Education 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.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs.

The District uses trust and agency funds to account for resources held for student activities and groups, for payroll transactions, student scholarship fund and for the District's unemployment trust fund. The basic fiduciary fund financial statements can be found as Exhibits B-7 in this report.

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

Other Information. The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

Government-Wide Financial Analysis

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

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position for June 30, 2020 and 2019, respectively:

Net Position
June 30, 2020

	Governmental Activities		Business-Type Activities	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets				
Current and Other				
Assets	\$ 7,178,548.58	\$ 6,636,420.59	\$ 328,874.69	\$ 334,682.18
Capital Assets, Net	15,266,883.71	14,448,531.08	173,055.16	198,628.13
Total Assets	<u>22,445,432.29</u>	<u>21,084,951.67</u>	<u>501,929.85</u>	<u>533,310.31</u>
Deferred Outflows of Resources				
Deferred Outflows				
Relating to Pension	1,960,865.00	2,993,912.00	-	-
Total Deferred Outflows of Resources	<u>1,960,865.00</u>	<u>2,993,912.00</u>	<u>-</u>	<u>-</u>
Liabilities				
Long-Term Liabilities	8,451,113.25	9,672,988.00	-	-
Other Liabilities	997,637.56	786,447.76	28,501.34	22,818.25
Total Liabilities	<u>9,448,750.81</u>	<u>10,459,435.76</u>	<u>28,501.34</u>	<u>22,818.25</u>
Deferred Inflows of Resources				
Deferred Inflows				
Relating to Pension	3,018,013.00	2,951,706.00	-	-
Related to Gain on Debt Refunding	9,521.79	19,909.19	-	-
Total Deferred Inflows of Resources	<u>3,027,534.79</u>	<u>2,971,615.19</u>	<u>-</u>	<u>-</u>
Net Position				
Net Investment in				
Capital Assets	14,842,361.92	13,618,531.08	173,055.16	198,628.13
Restricted	5,646,383.24	5,513,694.82	-	-
Unrestricted	(8,558,733.47)	(8,484,413.18)	300,373.35	311,863.93
Total Net Position	<u>\$ 11,930,011.69</u>	<u>\$ 10,647,812.72</u>	<u>\$ 473,428.51</u>	<u>\$ 510,492.06</u>

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

Restricted net position increased \$132,688.42 from the prior year to 5,646,383.24 at June 30, 2020..

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 (\$8,558,733.47) 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, 2020 and 2019. 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.

	June 30, 2020		
	Governmental	Business-Type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 816,532.00	\$ 816,532.00
Operating Grants and Contributions	9,424,379.72	86,646.26	9,511,025.98
General Revenues:			
Property Taxes	18,161,565.00	-	18,161,565.00
Federal and State Aid	6,380,573.87	-	6,380,573.87
Miscellaneous	94,747.05	-	94,747.05
Total Revenues	<u>34,061,265.64</u>	<u>903,178.26</u>	<u>34,964,443.90</u>
Expenses:			
Instructional Services	16,765,157.27	-	16,765,157.27
Support Services	13,768,429.43	940,241.81	14,708,671.24
Transfer to Charter Schools	2,188,663.00	-	2,188,663.00
Interest and Other Charges	55,557.69	-	55,557.69
Total Expenses	<u>32,777,807.39</u>	<u>940,241.81</u>	<u>33,718,049.20</u>
Change in Net Position	1,283,458.25	(37,063.55)	1,246,394.70
Loss on Disposal of Fixed Assets	(1,259.28)	-	(1,259.28)
Net Position, Beginning	10,647,812.72	510,492.06	11,158,304.78
Net Position, Ending	<u>\$ 11,930,011.69</u>	<u>\$ 473,428.51</u>	<u>\$ 12,403,440.20</u>
June 30, 2019			
	Governmental	Business-Type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 903,773.62	\$ 903,773.62
Operating Grants and Contributions	10,273,723.10	119,097.50	10,392,820.60
General Revenues:			
Property Taxes	17,657,369.00	-	17,657,369.00
Federal and State Aid	5,646,351.45	-	5,646,351.45
Miscellaneous	303,844.64	-	303,844.64
Total Revenues	<u>33,881,288.19</u>	<u>1,022,871.12</u>	<u>34,904,159.31</u>
Expenses:			
Instructional Services	16,417,456.02	-	16,417,456.02
Support Services	14,181,530.57	952,347.46	15,133,878.03
Transfer to Charter Schools	2,129,227.60	-	2,129,227.60
Interest and Other Charges	62,073.43	-	62,073.43
Total Expenses	<u>32,790,287.62</u>	<u>952,347.46</u>	<u>33,742,635.08</u>
Change in Net Position	1,091,000.57	70,523.66	1,161,524.23
Net Position, Beginning	9,556,812.15	439,968.40	9,996,780.55
Net Position, Ending	<u>\$ 10,647,812.72</u>	<u>\$ 510,492.06</u>	<u>\$ 11,158,304.78</u>

Financial Analysis of the District's Funds

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

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

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2020 and 2019 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

	June 30, 2020			
	Amount	Percent Of Total	Increase (Decrease) From 2019	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 9,976,582.15	31.10%	\$ 309,253.42	3.20%
Undistributed	18,057,548.87	56.28%	412,105.82	2.34%
Transfer to Charter Schools	2,188,663.00	6.82%	59,435.40	80.76%
Capital Outlay	1,377,993.35	4.30%	1,304,399.08	1772.42%
Debt Service:				
Principal	415,000.00	1.29%	-	0.00%
Interest	67,031.00	0.21%	(6,515.75)	-8.86%
Total	\$ 32,082,818.37	100.00%	\$ 2,078,677.97	7.86%

	June 30, 2019			
	Amount	Percent Of Total	Increase (Decrease) From 2018	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 9,667,328.73	36.55%	\$ 569,341.66	6.26%
Undistributed	17,645,443.05	66.72%	826,111.47	4.91%
Transfer to Charter School	2,129,227.60	8.05%	531,702.60	33.28%
Capital Outlay	73,594.27	0.28%	(1,122,032.09)	-93.84%
Debt Service:				
Principal	415,000.00	1.57%	(15,000.00)	-3.49%
Interest	73,546.75	0.28%	(6,750.75)	-8.41%
Total	\$ 26,446,817.78	113.45%	\$ 783,372.89	2.68%

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 2019-2020 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 2019-2020 year.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.

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 decrease in net position of \$37,063.55 in 2019-2020 as compared to a increase in net position of \$70,523.66 in 2018-2019. The primary factor(s) affecting the change in net position of the food service fund is decrease in food serviced to the students due to COVID -19.

Capital Assets

At June 30, 2020 the District has capital assets of \$15,439,938.87, net of depreciation, which includes land, construction in progress, land improvements, buildings/construction, machinery and equipment.

	<u>June 30, 2020</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 3,514,100.00	\$ -
Construction In Progress	572,335.98	-
Land Improvements	273,708.25	-
Buildings	10,542,952.26	49,564.15
Machinery and Equipment	363,787.22	123,491.01
Total	<u>\$ 15,266,883.71</u>	<u>\$ 173,055.16</u>
	<u>June 30, 2019</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 3,514,100.00	\$ -
Construction In Progress	-	-
Land Improvements	300,569.97	-
Buildings	10,230,218.86	56,486.28
Machinery and Equipment	403,642.25	142,141.85
Total	<u>\$ 14,448,531.08</u>	<u>\$ 198,628.13</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

At June 30, 2020 and 2019, the District’s outstanding debt issues included \$415,000.00 and \$830,000.00 respectively of general obligation bonds and \$32,699.25 and \$13,030.00 respectively in compensated absences payable.

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

As of June 30, 2020, the Red Bank Borough School District has several serious financial concerns. The District is concerned about the funding of State Aid and the SFRA Formula not being followed. Relatively flat State funding proves problematic when expenditures increase. The District also continues to be concerned about the financial burden that is created through funding a charter school in such a small community. Unanticipated Special Education costs and services that are driven by student's Individual Education Plan requirements have increased considerably.

The District continues to strive to "do more with less". The design of a prudent budget that is based on a zero-based model, coupled with receiving funds through an aggressive grant submission process, the Red Bank Borough School District continues to focus on the enhancement of student learning.

The Superintendent continues to aggressively seek competitive grants, collaborative partnerships for professional development, and various opportunities that increase student learning for the District that does not impact local budgets. Further cost savings through shared resources with the Borough and neighboring districts includes curriculum writing and professional development that supplement and support the District's needs.

An additional area of concern is the need for increased maintenance and probable renovations at each school. The Primary School was constructed in the early seventies. This building is situated on ecologically-sensitive property on the west side of the Borough. The Borough-owned access roadway has limitations that pose safety concerns, and the main entryway to the building is obscured, allowing no clear view of the building's exterior for student safety purposes. The Board has worked with the Borough to address some of the issues of safety through Borough grants.

In general, the Red Bank Borough Board of Education has consistently committed itself to sound, conservative fiscal management, providing the most efficient and effective education possible given the demands and challenges associated with the need to improve students' academic performance.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to School Business Administrator/Board Secretary at Red Bank Borough Board of Education, 76 Branch Avenue, Red Bank, NJ 07701.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 2,064,787.66	\$ 211,051.65	\$ 2,275,839.31
Receivables, Net (Note 4)	363,647.37	100,416.34	464,063.71
Inventory	-	17,406.70	17,406.70
Restricted Cash & Cash Equivalents	4,750,113.55	-	4,750,113.55
Capital Assets, Net (Note 5)			
Non-Depreciable	4,086,435.98	-	4,086,435.98
Depreciable	11,180,447.73	173,055.16	11,353,502.89
Total Assets	22,445,432.29	501,929.85	22,947,362.14
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	1,960,865.00	-	1,960,865.00
Total Deferred Outflow of Resources	1,960,865.00	-	1,960,865.00
LIABILITIES:			
Accounts Payable	44,991.42	125.00	45,116.42
Due to Other Governments	472,397.00	-	472,397.00
Unearned Revenue	497,751.30	9,788.26	507,539.56
Accrued Interest	1,085.92	-	1,085.92
Internal Balances	(18,588.08)	18,588.08	-
Noncurrent Liabilities (Note 7):			
Due Within One Year	416,134.25	-	416,134.25
Due in More Than One Year	8,034,979.00	-	8,034,979.00
Total Liabilities	9,448,750.81	28,501.34	9,477,252.15
DEFERRED INFLOWS OF RESOURCES:			
Related to Gain on Debt Refunding	9,521.79		9,521.79
Related to Pensions (Note 8)	3,018,013.00	-	3,018,013.00
Total Deferred Inflow of Resources	3,027,534.79	-	3,027,534.79
NET POSITION:			
Net Investment in Capital Assets	14,842,361.92	173,055.16	15,015,417.08
Restricted for:			
Capital Projects	3,188,532.57	-	3,188,532.57
Debt Service	0.48	-	0.48
Maintenance Reserve	989,245.00	-	989,245.00
Excess Surplus	1,468,605.19	-	1,468,605.19
Unrestricted (Deficit)	(8,558,733.47)	300,373.35	(8,258,360.12)
Total Net Position	\$ 11,930,011.69	\$ 473,428.51	\$ 12,403,440.20

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

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 10,898,448.56	\$ -	\$ 4,773,174.91	\$ (6,125,273.64)	\$ -	\$ (6,125,273.64)
Special Education Instruction	3,502,998.34	-	797,851.91	(2,705,146.43)	-	(2,705,146.43)
Other Instruction	2,363,710.37	-	538,364.75	(1,825,345.62)	-	(1,825,345.62)
Support Services:						
Tuition	573,548.14	-	-	(573,548.14)	-	(573,548.14)
Student & Instruction Related Services	6,461,891.14	-	2,983,803.74	(3,478,087.41)	-	(3,478,087.41)
General Administrative	750,508.32	-	36,956.60	(713,551.72)	-	(713,551.72)
School Administrative Services	723,981.71	-	35,288.15	(688,693.56)	-	(688,693.56)
Central Services	401,708.77	-	19,780.98	(381,927.79)	-	(381,927.79)
Administrative Info. Technology	256,272.15	-	12,619.38	(243,652.77)	-	(243,652.77)
Plant Operations & Maintenance	3,073,239.25	-	151,332.74	(2,921,906.52)	-	(2,921,906.52)
Pupil Transportation	1,225,585.76	-	60,350.51	(1,165,235.25)	-	(1,165,235.25)
Special Schools	301,694.18	-	14,856.05	(286,838.13)	-	(286,838.13)
Transfer to Charter Schools	2,188,663.00	-	-	(2,188,663.00)	-	(2,188,663.00)
Interest & Other Charges	55,557.69	-	-	(55,557.69)	-	(55,557.69)
Total Governmental Activities	32,777,807.39	-	9,424,379.72	(23,353,427.67)	-	(23,353,427.67)
Business-Type Activities:						
Food Service	940,241.81	86,646.26	816,532.00	-	(37,063.55)	(37,063.55)
Total Business-Type Activities	940,241.81	86,646.26	816,532.00	-	(37,063.55)	(37,063.55)
Total Primary Government	\$ 33,718,049.20	\$ 86,646.26	\$ 10,240,911.72	(23,353,427.67)	(37,063.55)	(23,390,491.22)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				17,733,534.00	-	17,733,534.00
Property Taxes, Levied for Debt Service				428,031.00	-	428,031.00
Federal & State Aid Not Restricted				6,380,573.87	-	6,380,573.87
Miscellaneous				94,747.05	-	94,747.05
Total General Revenues				24,636,885.92	-	24,636,885.92
Special Items:						
Loss of Disposal of Fixed Assets				(1,259.28)	-	(1,259.28)
Change In Net Position				1,282,198.97	(37,063.55)	1,245,135.42
Net Position - Beginning				10,647,812.72	510,492.06	11,158,304.78
Net Position - Ending				\$ 11,930,011.69	\$ 473,428.51	\$ 12,403,440.20

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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**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020**

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
ASSETS					
Cash & Cash Equivalents	\$ 1,145,197.73	\$ 513,925.43	\$ 405,664.02	\$ 0.48	\$ 2,064,787.66
Receivables, Net:					
Interfund Receivable	1,113,041.85	-	-	-	1,113,041.85
Due from Other Governments:					
Federal	-	81,993.45	-	-	81,993.45
State	238,636.98	18,300.00	-	-	256,936.98
Other Accounts Receivable	19,266.00	5,450.94	-	-	24,716.94
Restricted Cash & Cash Equivalents	4,750,113.55	-	-	-	4,750,113.55
Total Assets	<u>\$ 7,266,256.11</u>	<u>\$ 619,669.82</u>	<u>\$ 405,664.02</u>	<u>\$ 0.48</u>	<u>\$ 8,291,590.43</u>
LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 44,977.67	\$ 13.75	\$ -	\$ -	\$ 44,991.42
Intergovernmental Payable:					
State	-	5,451.00	-	-	5,451.00
Interfund Payable	-	116,453.77	978,000.00	-	1,094,453.77
Unearned Revenue	-	497,751.30	-	-	497,751.30
Total Liabilities	<u>44,977.67</u>	<u>619,669.82</u>	<u>978,000.00</u>	<u>-</u>	<u>1,642,647.49</u>
Fund Balances:					
Restricted for:					
Capital Reserve	3,760,868.55	-	-	-	3,760,868.55
Maintenance Reserve	989,245.00	-	-	-	989,245.00
Excess Surplus	650,000.00	-	-	-	650,000.00
Excess Surplus Designated					
for Subsequent Year	818,605.19	-	-	-	818,605.19
Capital Projects	-	-	(572,335.98)	-	(572,335.98)
Debt Service	-	-	-	0.48	0.48
Assigned to:					
Designated for					
Subsequent Year	21,759.81	-	-	-	21,759.81
Other Purposes	962,574.92	-	-	-	962,574.92
Unassigned	18,224.97	-	-	-	18,224.97
Total Fund Balances	<u>7,221,278.44</u>	<u>-</u>	<u>(572,335.98)</u>	<u>0.48</u>	<u>6,648,942.94</u>
Total Liabilities & Fund Balances	<u>\$ 7,266,256.11</u>	<u>\$ 619,669.82</u>	<u>\$ 405,664.02</u>	<u>\$ 0.48</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,450,697.85 and the accumulated depreciation is \$10,183,814.14.					
					15,266,883.71
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.					
					1,960,865.00
					(3,018,013.00)
					(9,521.79)
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.					
					(1,085.92)
Accrued pension contributions for the June 30, 2020 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.					
					(466,946.00)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					
					<u>(8,451,113.25)</u>
Net Position of Governmental Activities					<u>\$ 11,930,011.69</u>

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2020**

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 17,733,534.00	\$ -	\$ -	\$ 428,031.00	\$ 18,161,565.00
Miscellaneous	94,747.05	33,548.56	-	-	128,295.61
Total Local Sources	17,828,281.05	33,548.56	-	428,031.00	18,289,860.61
State Sources	9,148,630.69	3,675,667.45	-	-	12,824,298.14
Federal Sources	86,092.98	1,247,306.92	-	-	1,333,399.90
Total Revenues	27,063,004.72	4,956,522.93	-	428,031.00	32,447,558.65
Expenditures:					
Instruction:					
Regular Instruction	4,194,514.56	2,290,916.24	-	-	6,485,430.80
Special Education Instruction	2,084,558.48	-	-	-	2,084,558.48
Other Instruction	1,406,592.87	-	-	-	1,406,592.87
Support Services:					
Tuition	573,548.14	-	-	-	573,548.14
Health Services	170,255.64	-	-	-	170,255.64
Student & Instruction Related Services	1,623,406.20	2,940,606.69	-	-	4,564,012.89
General Administrative	549,855.74	-	-	-	549,855.74
School Administrative Services	525,029.84	-	-	-	525,029.84
Central Services	294,309.69	-	-	-	294,309.69
Administrative Information Technology	187,756.36	-	-	-	187,756.36
Plant Operations & Maintenance	2,251,591.61	-	-	-	2,251,591.61
Pupil Transportation	897,920.05	-	-	-	897,920.05
Unallocated Benefits	4,968,084.56	-	-	-	4,968,084.56
On Behalf TPAF Pension and Social Security Contributions	2,854,149.79	-	-	-	2,854,149.79
Special Schools	221,034.56	-	-	-	221,034.56
Charter Schools	2,188,663.00	-	-	-	2,188,663.00
Capital Outlay	805,657.37	-	572,335.98	-	1,377,993.35
Debt Service:					
Principal	-	-	-	415,000.00	415,000.00
Interest & Other Charges	54,000.00	-	-	13,031.00	67,031.00
Total Expenditures	25,850,928.46	5,231,522.93	572,335.98	428,031.00	32,082,818.37
Excess/(Deficiency) of Revenues Over Expenditures	1,212,076.26	(275,000.00)	(572,335.98)	-	364,740.28
Other Financing Sources (Uses):					
General Fund Contribution to Preschool	(275,000.00)	275,000.00	-	-	-
Total Other Financing Sources (Uses)	(275,000.00)	275,000.00	-	-	-
Net Changes in Fund Balances	937,076.26	-	(572,335.98)	-	364,740.28
Fund Balance, July 1	6,284,202.18	-	-	0.48	6,284,202.66
Fund Balance, June 30	\$ 7,221,278.44	\$ -	\$ (572,335.98)	\$ 0.48	\$ 6,648,942.94

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

**RED BANK BOROUGH PUBLIC 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, 2020**

Total Net Changes in Fund Balances - Governmental Funds (B-2)		\$ 364,740.28
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	\$ (551,025.45)
	Loss on Disposal of Capital Asset	(1,259.28)
	Capital Outlays	<u>1,370,637.36</u>
		818,352.63
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.		
		(307,728.00)
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.		
		415,000.00
Issuance from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
	Amortization of Gain	10,387.40
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		
		1,085.91
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>(19,639.25)</u>
Change in Net Position of Governmental Activities		<u>\$ 1,282,198.97</u>

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Proprietary Funds

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EXHIBIT B-4

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2020**

	MAJOR FUNDS
	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	FOOD SERVICE
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 211,051.65
Accounts Receivable:	
Federal	97,811.26
State	2,605.08
Inventories	17,406.70
Total Current Assets	328,874.69
Noncurrent Assets:	
Capital Assets	361,507.03
Less: Accumulated Depreciation	(188,451.87)
Total Capital Assets, Net	173,055.16
Total Noncurrent Assets	173,055.16
Total Assets	\$ 501,929.85
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 125.00
Unearned Revenue	9,788.26
Interfund Payable	18,588.08
Total Current Liabilities	28,501.34
NET POSITION	
Net Investment in Capital Assets	173,055.16
Unrestricted	300,373.35
Total Net Position	\$ 473,428.51

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

EXHIBIT B-5

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 YEAR ENDED JUNE 30, 2020**

	MAJOR FUNDS
	BUSINESS-TYPE
	ACTIVITIES -
	ENTERPRISE
	FUNDS
	FOOD
	SERVICE
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 42,050.00
Daily Sales - Non-Reimbursable Programs	41,261.51
Special Functions	3,334.75
	86,646.26
Total Operating Revenues	86,646.26
Operating Expenses:	
Cost of Sales - Reimbursable Programs	299,173.31
Cost of Sales - Non-Reimbursable Programs	43,864.71
Salaries	109,128.91
Employee Benefits	9,183.06
Supplies and Materials	149,964.54
Depreciation	25,572.97
Management and Administrative Fees/Purchase Technical	303,354.31
	940,241.81
Total Operating Expenses	940,241.81
Operating Income/(Loss)	(853,595.55)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	9,954.87
Federal Sources:	
National School Lunch Program	428,315.55
National School Breakfast Program	108,899.82
Fresh Fruit and Vegetable Program	41,408.21
After School Snacks	1,346.08
Summer Feeding Program	158,436.29
Food Distribution Program	65,823.93
Interest Revenue	2,347.25
	816,532.00
Total Nonoperating Revenues/(Expenses)	816,532.00
Change in Net Position	(37,063.55)
Total Net Position - Beginning	510,492.06
Total Net Position - Ending	\$ 473,428.51

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

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 2020**

	MAJOR FUNDS
	BUSINESS-TYPE
	ACTIVITIES -
	ENTERPRISE
	FUNDS
	FOOD
	SERVICE
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 50,569.41
Payments to Employees	(109,128.91)
Payments to Suppliers	(732,117.76)
	(799,860.32)
Cash Flows From Noncapital Financing Activities:	
State Sources	9,954.87
Federal Sources	738,405.95
	748,360.82
Net Cash Provided by/(Used for) Noncapital Financing Activities	748,360.82
Cash Flows From Investing Activities	
Interest	2,347.25
	2,347.25
Net Cash Provided by/(Used for) Investing Activities	2,347.25
Net Increase/(Decrease) in Cash & Cash Equivalents	(49,152.25)
Balances - Beginning of Year	260,203.90
	260,203.90
Balances - End of Year	\$ 211,051.65
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Operating Income/(Loss)	\$ (853,595.55)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Depreciation	25,572.97
Food Distribution Program	65,823.93
(Increase)/Decrease in Accounts Receivable, Net	(41,634.94)
(Increase)/Decrease in Inventories	(1,709.82)
Increase/(Decrease) in Unearned Revenue	5,558.09
Increase/(Decrease) in Accounts Payable	125.00
	125.00
Total Adjustments	53,735.23
Net Cash Provided/(Used) by Operating Activities	\$ (799,860.32)

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

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Fiduciary Fund

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EXHIBIT B-7

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2020**

	<u>AGENCY FUNDS</u>
ASSETS	
Cash & Cash Equivalents	<u>\$ 23,665.61</u>
Total Assets	<u><u>\$ 23,665.61</u></u>
LIABILITIES	
Payable for Student Related Activities	\$ 18,950.40
Payroll Deductions & Withholdings	<u>4,715.21</u>
Total Liabilities	<u><u>\$ 23,665.61</u></u>

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

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RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Red Bank Borough Public School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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 District provides a full range of educational services appropriate to grades levels Preschool through 8th grade. The School District has an approximate enrollment at June 30, 2020 of 1,332 students.

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 61, The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34, and GASB 80, Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14. The School District had no component units as of for the year ended June 30, 2020.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (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.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (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.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (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.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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

The School District reports the following major proprietary funds:

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

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The School District’s fiduciary funds include Agency. Agency Funds are used to account for and report assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Agency Funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

The School District reports the following fiduciary funds:

Agency Funds - Agency funds (payroll and student activity funds) are assets held by a governmental entity either as trustee or as an agent for other parties and cannot be used to finance the governmental entities own operating programs.

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.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (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.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (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.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2020 (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 acquisition value. 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.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (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.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (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.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

Net Position

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

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

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

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

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and January 29, 2021, 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.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019 (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, 2020:

Statement No. 95, Postponement of The Effective Dates of Certain Authoritative Guidance , provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown

- Statement No. 84, *Fiduciary Activities* will be effective for reporting periods beginning after December 15, 2019.
- Statement No. 87, *Leases* will be effective for reporting periods beginning after June 15, 2021.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* will be effective for reporting periods beginning after December 15, 2020.
- Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61* , will be effective for reporting periods beginning after December 15, 2019.
- Statement No. 91, *Conduit Debt Obligations* will be effective for reporting periods beginning after December 15, 2021.
- Statement No. 93, *Replacement of Interbank Offered Rates* will be effective for reporting periods beginning after June 15, 2021.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* will be effective for reporting periods beginning after June 15, 2022.
- Statement No. 96, *Subscription-Based Information Technology Arrangements* will be effective for reporting periods beginning after June 15, 2022.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* , will be effective for reporting periods beginning after December 15, 2019.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (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, 2020, the School District’s bank balance of \$7,837,101.82 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 7,789,756.19
Uninsured and Uncollateralized	47,345.63
Total	\$ 7,837,101.82

Investments

The School District had no investments at June 30, 2020.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District by the inclusion of \$110.00 on October 30, 2000 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.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 3. Reserve Accounts (Continued)

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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$	2,990,729.71
Increased by:		
Interest Earnings		451.65
Deposits Approved by Board		1,473,499.19
		4,464,680.55
Decreased by:		
Budget Withdrawals		(703,812.00)
Ending Balance, June 30, 2020	\$	3,760,868.55

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 3. Reserve Accounts (Continued)

Maintenance Reserve

The School District established a maintenance reserve account 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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$	1,028,760.44
Increased by:		
Interest Earnings		327.38
Deposits Approved by Board		2,157.18
		1,031,245.00
Decreased by:		
Budget Withdrawals		(42,000.00)
Ending Balance, June 30, 2020	\$	989,245.00

Note 4. Accounts Receivable

Accounts receivable at June 30, 2020 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, 2020, consisted of the following:

<u>Description</u>	Governmental Funds		Total Governmental Activities
	General Fund	Special Revenue Fund	
Federal Awards	\$ -	\$ 81,993.45	\$ 81,993.45
State Awards	238,636.98	18,300.00	256,936.98
Tuition	19,266.00	-	19,266.00
Other	-	5,450.94	5,450.94
Total	\$ 257,902.98	\$ 105,744.39	\$ 363,647.37
		Proprietary Funds	Total Business-Type Activities
		Food Service Fund	
Federal Awards		\$ 97,811.26	\$ 97,811.26
State Awards		2,605.08	2,605.08
Total		\$ 100,416.34	\$ 100,416.34

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2020 was as follows:

	Governmental Activities			Balance June 30, 2020
	Balance July 1, 2019	Additions	Retirements and Transfers	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 3,514,100.00	\$ -	\$ -	\$ 3,514,100.00
Construction in Progress	-	572,335.98	-	572,335.98
Total Capital Assets not being depreciated	3,514,100.00	572,335.98	-	4,086,435.98
Capital Assets being depreciated:				
Land Improvements	691,594.40	-	-	691,594.40
Buildings and Improvements	18,571,176.58	709,598.90	-	19,280,775.48
Equipment	1,575,215.51	88,702.48	(272,026.00)	1,391,891.99
Total Capital Assets being depreciated	20,837,986.49	798,301.38	(272,026.00)	21,364,261.87
Less: Accumulated Depreciation:				
Land Improvements	(391,024.43)	(26,861.72)	-	(417,886.15)
Buildings and Improvements	(8,340,957.72)	(396,865.50)	-	(8,737,823.22)
Equipment	(1,171,573.26)	(127,298.23)	270,766.72	(1,028,104.77)
Total Accumulated Depreciation	(9,903,555.41)	(551,025.45)	270,766.72	(10,183,814.14)
Total Capital Assets being depreciated, net	10,934,431.08	247,275.93	(1,259.28)	11,180,447.73
Total Governmental Activities Capital Assets, net	\$ 14,448,531.08	\$ 819,611.91	\$ (1,259.28)	\$ 15,266,883.71
Business-Type Activities				
	Business-Type Activities			Balance June 30, 2020
	Balance July 1, 2019	Additions	Retirements and Transfers	
Business-Type Activities:				
Buildings	\$ 108,517.52	\$ -	\$ -	\$ 108,517.52
Equipment	278,562.48	-	-	278,562.48
Total Capital Assets being depreciated	387,080.00	-	-	387,080.00
Less: Accumulated Depreciation:				
Buildings	(52,031.24)	(6,922.13)	-	(58,953.37)
Equipment	(136,420.63)	(18,650.84)	-	(155,071.47)
Total Capital Assets being depreciated, net	(188,451.87)	(25,572.97)	-	(214,024.84)
Total Business-Type Activities Capital Assets, net	\$ 198,628.13	\$ (25,572.97)	\$ -	\$ 173,055.16

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 5. Capital Assets (Continued)

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

<u>Governmental Activities</u>	
Instruction:	
Regular Instruction	\$ 181,972.38
Special Education Instruction	58,489.88
Other Instruction	39,467.09
Support Services:	
Student & Instruction Related Services	132,837.15
General Administrative	15,428.21
School Administrative Services	14,731.68
Central Services	8,257.93
Administrative Info. Technology	5,268.19
Plant Operations & Maintenance	63,176.60
Pupil Transportation	25,194.42
Summer Schools	6,201.93
	551,025.45
Total Depreciation Expense - Governmental Activities	\$ 551,025.45

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2020 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 1,113,041.85	\$ -
Special Revenue Fund	-	116,453.77
Capital Projects Fund	-	978,000.00
Enterprise Fund	-	18,588.08
	\$ 1,113,041.85	\$ 1,113,041.85

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 was interfund transfers for the year ended June 30, 2020. A summary of interfund transfers are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 275,000.00
Special Revenue Fund	275,000.00	-
	\$ 275,000.00	\$ 275,000.00

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2020 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance June 30, 2019	<u>Additions</u>	<u>Reductions</u>	Balance June 30, 2020	Balance Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 830,000.00	\$ -	\$ 415,000.00	\$ 415,000.00	\$ 415,000.00
Compensated Absences	13,030.00	31,629.25	11,990.00	32,669.25	1,134.25
Net Pension Liability	8,829,958.00	5,185,409.00	6,011,923.00	8,003,444.00	-
	<u>\$ 9,672,988.00</u>	<u>\$ 5,217,038.25</u>	<u>\$ 6,438,913.00</u>	<u>\$ 8,451,113.25</u>	<u>\$ 416,134.25</u>

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

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

On July 6, 2016, the School District issued \$2,145,000.00 of Refunding Bonds to refund the callable portion of the outstanding \$2,095,000.00 Bond Issue. The Refunding Bonds generated \$130,274.02 in gross debt service savings and an economic gain (the difference between present value of the debt service payments of the refunded and refunding bonds) of \$124,248.18, to a net annual present value savings of 6.064%. The Refunding bonds were issued at interest rates from 1.570% and mature in May of 2021.

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 415,000.00	\$ 3,257.75	\$ 3,257.75
	<u>\$ 415,000.00</u>	<u>\$ 3,257.75</u>	<u>\$ 3,257.75</u>

Bonds Authorized but not Issued

As of June 30, 2020, the School District had bonds authorized but not issued of \$6,750,000.00.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, 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 Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th 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 2019, the State's pension contribution was less than the actuarial determined amount.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

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.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2020, the School District reported a liability of \$8,003,444 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019. 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, 2019. The School District's proportion measured as of June 30, 2019, was 0.04441796%, which was a decrease of 0.00042805% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized full accrual pension expense of \$432,056 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2019 measurement date. At June 30, 2020 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 143,651.00	\$ 35,356
Changes of Assumptions	799,173.00	2,777,970
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	126,337
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	551,095.00	78,350.00
School District contributions subsequent to measurement date	466,946.00	-
	<u>\$ 1,960,865.00</u>	<u>\$ 3,018,013.00</u>

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

\$466,946 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2019-2020 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.11%. The payable is due on April 1, 2021 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:

Year Ending June 30,		
2020	\$	375,079.00
2021		(418,263.00)
2022		(685,535.00)
2023		(292,251.00)
2024		(36,178.00)
	<u>\$</u>	<u>(1,057,148.00)</u>

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
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	-
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
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	-
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

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

Actuarial Assumptions – The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions:

Inflation Rate	2.75%
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%
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-2019.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% 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 through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net pension 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.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease <u>(5.28%)</u>	At Current Discount Rate <u>(6.28%)</u>	At 1% Increase <u>(7.28%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 10,179,982.00	\$ 8,003,444.00	\$ 6,271,998.00

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

	<u>6/30/2019</u>	<u>6/30/2018</u>
Collective Deferred Outflows of Resources	\$ 3,149,522,616.00	\$ 4,684,852,302.00
Collective Deferred Inflows of Resources	7,645,087,574.00	7,646,736,226.00
Collective Net Pension Liability	18,143,832,135.00	19,689,501,539.00
School District's portion	0.04442%	0.04485%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions/financial-reports.shtml.

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

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 8. Pension Plans (Continued)

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ 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 2019, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2019 was \$42,471,324. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. 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, 2019, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.069204875%, which was an increase of 0.00368429% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized a pension expense in the amount of \$2,505,072 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2019 measurement date.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

Actuarial Assumptions – The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.75%
Salary Increases:	
2011-2026	1.55% - 4.45%
Thereafter	2.75% - 5.65%
Investment Rate of Return	7.00%

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 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 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-2019.

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Estate	2.50%	9.31%
Real Asset	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the of the Net Pension Liability to Changes in the Discount Rate – The following represents the net pension liability of the State as of June 30, 2019 calculated using the discount rate disclosed above as well as what the State's net pension 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.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease <u>(4.60%)</u>	At Current Discount Rate <u>(5.60%)</u>	At 1% Increase <u>(6.60%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 20,096,659.00	\$ 17,042,313.00	\$ 14,508,170.00

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.

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

	<u>6/30/2020</u>	<u>6/30/2019</u>
Collective Deferred Outflows of Resources	\$10,129,162,237.00	\$12,675,037,111.00
Collective Deferred Inflows of Resources	\$17,736,240,054.00	\$ 3,720,032,991.00
Collective Net Pension Liability	\$61,519,112,443.00	\$63,806,350,466.00
 School District's portion	 0.06920%	 0.06555%

C. Defined Contribution Retirement Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (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 the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (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. The minimum salary in 2020 is \$8,400 and is subject to adjustment in future years.
- 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.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 8. Pension Plans (Continued)

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, 2020, employee contributions totaled \$6,289.90, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$4,631.69.

Note 9. Other 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.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 3.05% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 3.05% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019. 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-2019. 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-2019.

The actuarial assumptions used in the June 30, 2018 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, PERS and PFRS, 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, 2019 was \$32,730,389. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. 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, 2019, the State proportionate share of the OPEB Obligation attributable to the School District was 0.07843544%, which was an increase of 0.0000229% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized an OPEB expense in the amount of \$1,319,922 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, 2019 measurement date.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend is 5.0%.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. 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, 2019 calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (2.5%)	At Discount Rate (3.5%)	At 1% Increase (4.5%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 49,943,267.19	\$ 32,730,389.00	\$ 35,829,595.98
State of New Jersey's Total Nonemployer OPEB Liability	\$ 63,674,362,200.00	\$ 41,729,081,045	\$ 45,680,364,953.00

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

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

The following presents the total nonemployer OPEB liability as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 26,968,381.67	\$ 32,730,389.00	\$ 40,358,103.57
State of New Jersey's Total Nonemployer OPEB Liability	\$ 34,382,902,820	\$ 41,729,081,045	\$ 51,453,912,586

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

	Deferred Outflows of	Deferred Inflows of
Differences between Expected & Actual Experience	\$ -	\$ (10,484,965,300)
Change in Assumptions	-	(8,481,529,343)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, Berkeley Measurement Date **	TBD	-
	\$ -	\$ (18,966,494,643)
Fiscal Year Ending June 30,		
2020	\$ (2,546,527,182)	
2021	(2,546,527,182)	
2022	(2,546,527,182)	
2023	(2,546,527,182)	
2024	(2,546,527,182)	
Thereafter	(6,233,858,733)	
	\$ (18,966,494,643)	

** Employer Contributions made after June 30, 2019 are reported as a deferred outflow of resources, but are not

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 9. Other Post-Retirement Benefits (continued)

Plan Membership

At June 30, 2018, the Program membership consisted of the following:

Active Plan Members	216,892
Currently Receiving Benefits	148,051
	364,943
	364,943

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is

Total OPEB Liability

Service Cost	\$	1,734,404,850
Interest Cost		1,827,787,206
Differences Between Expected and Actual Experiences		(7,323,140,818)
Changes of Assumptions		622,184,027
Contributions: Member		37,971,171
Gross Benefit Payments		(1,280,958,373)
		(4,381,751,937)
Net Change in Total OPEB Liability		(4,381,751,937)
Total OPEB Liability (Beginning)		46,110,832,982
Total OPEB Liability (Ending)	\$	41,729,081,045
Total Covered Employee Payroll		13,929,083,479
Net OPEB Liability as a Percentage of Payroll		300%

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, 2019, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$1,612,922, \$640,619.79, \$598,365.00 and \$2,243.00, respectively.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (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.

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

Joint Insurance Pool – The School District also participates in the New Jersey School Boards Association Insurance Group and, public entity risk pool. The Pool provides its members with the following coverage:

Property - Blanket Building & Grounds	General & Automobile Liability
Environmental Impairment Liability	Workers' Compensation
Boiler & Machinery	Excess Liability
Employer Liability	Comprehensive Crime Coverage

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, 2020 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.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (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). 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
Met Life

Valic Investments

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, 2020, the liability for compensated absences reported was \$32,669.25.

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.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (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, 2020 was \$650,000.00.

Note 17. Fund Balances

General Fund – Of the \$7,221,278.44 General Fund fund balance at June 30, 2020, \$3,760,868.55 has been restricted for the Capital Reserve Account; \$989,245.00 has been restricted for the Maintenance Reserve Account; \$650,000.00 has been restricted for current year excess surplus; \$818,605.19 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$984,334.73 has been assigned to other purposes; and \$18,224.97 is unassigned.

Debt Service Fund – Of the \$.48 Debt Service Fund fund balance at June 30, 2020, \$.48 is restricted for future debt service payments.

Note 18. Deficit in Fund Balance

Capital Projects Fund – The School District Capital Projects fund had a deficit in fund balance in the amount of \$572,335.98 at June 30, 2020. The primary causes of this deficit is the School District was the School District authorizing bonds and notes in the amount of \$6,750,000, but not issuing the bonds until July of 2020.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$8,558,733.47 at June 30, 2020. 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, 2020. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 20. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2020 through January 29, 2021 which is the date the financial statements were available to be issued, and noted the following:

On July 28, 2020 the District issued serial bonds totaling \$6,750,000. The bonds bear interest from 1.00% to 2.00% per annum payable semi-annually on the fifteenth day of July and January each year, until maturity. The principal is due annually on the fifteenth day of July through 2036 installments range from \$300,000 to \$550,000.

During the year ended June 30, 2020, the COVID-19 Corona Virus spread across the State of New Jersey and the Nation as a whole. Although the effects of the virus are still ongoing, the District does not expect it to have a material impact on its financial position.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2020

ACCOUNT NUMBERS	ORIGINAL BUDGET	JUNE 30, 2020		VARIANCE FINAL TO ACTUAL
		BUDGET TRANSFERS	FINAL BUDGET	
10-1210	\$ 17,733,534.00	\$ -	\$ 17,733,534.00	\$ -
10-1910	-	-	8,100.00	8,100.00
10-1990	40,000.00	-	40,000.00	85,868.02
10-1994	-	-	-	327.38
10-1995	-	-	-	451.65
Total Local Sources	17,773,534.00	-	17,773,534.00	17,828,281.05
State Sources:				
10-3121	189,188.00	-	189,188.00	-
10-3131	80,000.00	-	80,000.00	226,237.00
10-3132	1,208,304.00	-	1,208,304.00	1,208,304.00
10-3176	4,081,584.00	-	4,081,584.00	-
10-3177	634,293.00	-	634,293.00	-
10-3190	-	-	-	12,489.00
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	-	1,612,922.00
TPAF Social Security (reimbursed)	-	-	-	640,619.79
TPAF Post Retirements	-	-	-	598,365.00
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	2,243.00
Total State Sources	6,193,369.00	-	6,193,369.00	9,206,244.79
Federal Sources:				
10-4200	126,710.00	-	126,710.00	86,092.98
Total Federal Sources	126,710.00	-	126,710.00	86,092.98
Total Revenues	24,093,613.00	-	24,093,613.00	27,120,618.82
				3,027,005.82

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2020

	ACCOUNT NUMBERS	JUNE 30, 2020			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Current Expense:						
Regular Programs - Instruction:						
Kindergarten - Salaries of Teachers	11-110-100-101	217,115.00	116,400.00	333,515.00	328,805.01	4,709.99
Grades 1-5 - Salaries of Teachers	11-120-100-101	1,748,507.00	19,963.00	1,768,470.00	1,736,300.21	32,169.79
Grades 6-8 - Salaries of Teachers	11-130-100-101	1,270,044.00	20,073.20	1,290,117.20	1,278,633.93	11,483.27
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	10,952.00	(6,500.00)	4,452.00	952.00	3,500.00
Purchased Professional - Educational Services	11-150-100-320	8,000.00	(5,000.00)	3,000.00	-	3,000.00
Regular Programs - Undistributed Instruction:						
Salaries of Teachers	11-190-100-101	-	94,579.50	94,579.50	90,669.50	3,910.00
Other Salaries for Instruction	11-190-100-106	391,551.00	(118,379.50)	273,171.50	244,348.85	28,822.65
Purchased Professional - Educational Services	11-190-100-320	47,374.00	-	47,374.00	43,615.23	3,758.77
Purchased Technical Services	11-190-100-340	78,065.00	-	78,065.00	78,008.60	56.40
Other Purchased Services	11-190-100-500	67,800.00	(6,000.00)	61,800.00	(535.83)	62,335.83
General Supplies	11-190-100-610	495,516.61	(29,859.50)	465,657.11	344,197.01	121,460.10
Textbooks	11-190-100-640	50,400.00	1,635.50	52,035.50	49,520.05	2,515.45
Other Objects	11-190-100-800	500.00	-	500.00	-	500.00
Total Regular Programs - Instruction		4,385,824.61	86,912.20	4,472,736.81	4,194,514.56	278,222.25
Special Education - Instruction:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	447,925.00	-	447,925.00	445,925.00	2,000.00
Other Salaries for Instruction	11-204-100-106	401,800.00	(58,405.85)	343,394.15	340,085.25	3,308.90
Purchased Technical Services	11-204-100-340	3,885.00	-	3,885.00	1,469.97	2,415.03
General Supplies	11-204-100-610	13,858.00	-	13,858.00	12,320.06	1,537.94
Total Learning and/or Language Disabilities		867,468.00	(58,405.85)	809,062.15	799,800.28	9,261.87
Special Education - Instruction:						
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	56,460.00	-	56,460.00	56,460.00	-
Other Salaries for Instruction	11-212-100-106	114,756.00	(27,885.00)	86,871.00	86,871.00	-
Purchased Technical Services	11-212-100-340	179.00	-	179.00	-	179.00
General Supplies	11-212-100-610	2,105.00	-	2,105.00	1,872.74	232.26
Other Objects	11-212-100-800	3,000.00	-	3,000.00	489.50	2,510.50
Total Multiple Disabilities		176,500.00	(27,885.00)	148,615.00	145,693.24	2,921.76
Special Education - Instruction:						
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	938,925.00	5,535.60	944,460.60	921,012.15	23,448.45
Other Salaries	11-213-100-106	32,385.00	32,385.00	64,770.00	21,312.75	43,457.25
General Supplies	11-213-100-610	1,889.00	-	1,889.00	-	1,889.00
Total Resource Room/Resource Center		973,199.00	37,920.60	1,011,119.60	942,324.90	68,794.70

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2020

ACCOUNT NUMBERS	JUNE 30, 2020			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Education - Instruction:				
Preschool Disabilities - Full-Time:				
Salaries of Teachers	57,050.00	-	57,050.00	-
Other Salaries for Instruction	84,187.00	53,119.06	137,306.06	-
General Supplies	2,384.00	-	2,384.00	-
Total Preschool Disabilities - Full-Time	143,621.00	53,119.06	196,740.06	-
Total Special Education - Instruction	2,160,788.00	4,748.81	2,165,536.81	80,978.33
Basic Skills/Remedial - Instruction:				
Salaries of Teachers	71,335.00	(71,335.00)	-	-
General Supplies	500.00	-	500.00	500.00
Total Basic Skills/Remedial - Instruction	71,835.00	(71,335.00)	500.00	500.00
Bilingual Education - Instruction:				
Salaries of Teachers	1,503,585.00	(63,836.80)	1,439,748.20	157,943.20
Other Salaries for Instruction	30,000.00	-	30,000.00	1,448.00
Purchased Technical Services	1,620.00	-	1,620.00	-
Other Purchased Services	3,268.00	-	3,268.00	3,268.00
General Supplies	53,552.00	7,140.06	60,692.06	14,794.55
Total Bilingual Education - Instruction	1,592,025.00	(56,696.74)	1,535,328.26	177,453.75
School-Sponsored Cocurricular/Extra Curricular Activities - Instruction:				
Salaries	14,655.00	-	14,655.00	12,532.00
Purchased Services	5,650.00	-	5,650.00	5,650.00
Total School-Sponsored Cocurricular/Extra Curricular Activities - Instruction	20,305.00	-	20,305.00	18,182.00
School-Sponsored Athletics - Instruction:				
Salaries	38,544.00	7,000.00	45,544.00	20,076.00
Purchased Services	27,960.00	(6,527.00)	21,433.00	12,060.40
Supplies and Materials	9,500.00	(473.00)	9,027.00	2,573.86
Total School-Sponsored Athletics - Instruction	76,004.00	-	76,004.00	34,710.26

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2020

	ACCOUNT NUMBERS	JUNE 30, 2020			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Community Service Programs/Operations:					
Salaries	11-800-330-100	5,500.00	4,000.00	9,500.00	4,951.00
Purchase Services (300-500 series)	11-800-330-500	4,658.00	(4,000.00)	658.00	0.00
Supplies and Materials	11-800-330-600	1,035.00	-	1,035.00	350.62
Total Summer School - Support Services		11,193.00	-	11,193.00	5,301.62
Undistributed Expenditures - Instruction (Tuition):					
Tuition to Other LEAs Within State - Regular	11-000-100-561	-	100,000.00	100,000.00	32,765.90
Tuition to Private School Disabled - Within State	11-000-100-566	815,397.00	(180,724.00)	634,673.00	540,782.24
Total Undistributed Expenditures - Instruction (Tuition)		815,397.00	(80,724.00)	734,673.00	573,548.14
Undistributed Expenditures - Health Services:					
Salaries	11-000-213-100	128,246.00	-	128,246.00	122,107.40
Purchased Professional & Technical Services	11-000-213-300	29,000.00	52,246.27	81,246.27	43,083.55
Other Purchased Services	11-000-213-500	600.00	(137.13)	462.87	392.87
Supplies and Materials	11-000-213-600	4,200.00	1,060.66	5,260.66	4,671.82
Other Objects	11-000-213-800	200.00	-	200.00	-
Total Undistributed Expenditures - Health Services		162,246.00	53,169.80	215,415.80	170,255.64
Undistributed Expenditures -					
Speech, OT, PT and Related Services:					
Salaries	11-000-216-100	408,068.00	26,020.85	434,088.85	416,445.10
Purchased Professional - Educational Services	11-000-216-320	55,000.00	(10,734.06)	44,265.94	21,942.75
Travel	11-000-216-580	-	400.00	400.00	-
Supplies and Materials	11-000-216-600	3,654.00	-	3,654.00	3,456.31
Other Objects	11-000-216-800	400.00	(400.00)	-	-
Total Undistributed Expenditures - Speech, OT, PT and Related Services		467,122.00	15,286.79	482,408.79	441,844.16
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	11-000-218-104	204,235.00	3,595.00	207,830.00	207,830.00
Other Purchased Services	11-000-218-500	600.00	-	600.00	58.86
Supplies and Materials	11-000-218-600	5,250.00	-	5,250.00	3,086.88
Total Undistributed Expenditures - Guidance		210,085.00	3,595.00	213,680.00	210,975.74
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	11-000-219-104	362,558.00	10,215.40	372,773.40	317,540.07
Salaries of Secretaries & Clerical Assistants	11-000-219-105	66,295.00	(10,215.40)	56,079.60	56,079.60
Purchased Professional - Educational Services	11-000-219-320	11,350.00	(800.00)	10,550.00	-
Other Purchased Prof. and Tech. Services	11-000-219-390	15,166.00	-	15,166.00	15,166.00
Other Purchased Services	11-000-219-500	2,325.00	(2,325.00)	-	-
Miscellaneous Purchased Services	11-000-219-592	-	2,093.35	2,093.35	865.00
Total Undistributed Expenditures - Child Study Teams		457,588.00	17,283.35	474,871.35	452,350.67
Total Undistributed Expenditures -					
Speech, OT, PT and Related Services		467,122.00	15,286.79	482,408.79	441,844.16
Guidance		210,085.00	3,595.00	213,680.00	210,975.74
Child Study Teams		457,588.00	17,283.35	474,871.35	452,350.67
Total Undistributed Expenditures -		1,134,795.00	36,165.14	1,170,960.14	1,105,114.63

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2020

ACCOUNT NUMBERS	JUNE 30, 2020			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Supplies and Materials	4,771.00	303.13	5,074.13	-
Other Objects	150.00	(71.48)	78.52	73.00
Total Undistributed Expenditures - Child Study Teams	462,615.00	(800.00)	461,815.00	67,017.20
Undistributed Expenditures - Improvement of Instruction Services:				
Salaries of Supervisors of Instruction	224,302.32	291.84	224,594.16	-
Salaries of Sec. and Clerical Assist.	55,000.00	(291.84)	54,708.16	4,192.27
Other Salaries	8,942.00	-	8,942.00	3,536.00
Other Purchased Professional and Technical Services	22,000.00	(22,000.00)	-	-
Other Purchased Services	8,135.00	-	8,135.00	2,192.74
Supplies and Materials	4,023.72	-	4,023.72	1,556.32
Other Objects	10,017.00	(140.06)	9,876.94	-
Total Undistributed Expenditures - Improvement of Instruction Services	332,420.04	(22,140.06)	310,279.98	11,477.33
Undistributed Expenditures - Educational Media Services/Library: Salaries of Technology Coordinators	257,462.00	18,654.79	276,116.79	276,116.79
Total Undistributed Expenditures - Educational Media Services/Library	257,462.00	18,654.79	276,116.79	-
Undistributed Expenditures - Instructional Staff Training Services: Salaries of Secretarial and Clerical Asst. Other Purchased Services	5,000.00	(5,000.00)	-	-
	-	5,000.00	5,000.00	869.06
Total Undistributed Expenditures - Instructional Staff Training Services	5,000.00	-	5,000.00	4,130.94
Undistributed Expenditures - Support Services - General Administration: Salaries	348,179.00	-	348,179.00	348,359.93
Legal Services	54,250.00	-	54,250.00	41,050.76
Audit Fees	44,500.00	2,716.00	47,216.00	47,216.00
Architectural/Engineering Services	84,643.68	-	84,643.68	53,166.63
Other Purchased Professional Services	5,000.00	10,750.00	15,750.00	750.00
Purchased Technical Services	6,000.00	(6,000.00)	-	-
Communications/Telephone	51,500.00	(5,598.06)	45,901.94	23,731.47
BOE Other Purchased Professional Services	17,000.00	-	17,000.00	7,813.26
Other Purchased Services	11,450.00	(5,725.95)	5,724.05	5,226.44
General Supplies	10,001.10	(1,627.35)	8,373.75	8,373.74
Miscellaneous Expenditures	11,535.00	311.12	11,846.12	11,746.12
BOE Membership Dues and Fees	22,500.00	(16,078.61)	6,421.39	6,421.39

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2020

ACCOUNT NUMBERS	JUNE 30, 2020			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Total Undistributed Expenditures - Support Services - General Administration	666,558.78	(21,252.85)	645,305.93	95,450.19
Undistributed Expenditures - Support Services - School Administration:				
Salaries of Principals/Assistant Principals	351,476.00	399.76	351,875.76	2,500.08
Salaries of Secretaries & Clerical Assistants	158,018.00	5,422.09	163,440.09	-
Supplies and Materials	10,606.42	1,222.65	11,829.07	-
Other Objects	-	385.00	385.00	-
Total Undistributed Expenditures - Support Services - School Administration	520,100.42	7,429.50	527,529.92	2,500.08
Undistributed Expenditures - Central Services:				
Salaries	258,811.00	3,210.45	262,021.45	-
Tuition Reimbursement	5,000.00	(5,000.00)	-	-
Purchased Professional Services	1,000.00	-	1,000.00	1,000.00
Supplies and Materials	11,819.59	32,240.71	44,060.30	14,947.34
Interest on Lease Purchase Agreements	5,546.00	-	5,546.00	0.08
Miscellaneous Expenditures	12,388.61	-	12,388.61	11,794.98
Total Undistributed Expenditures - Central Services	294,565.20	30,451.16	325,016.36	30,706.67
Undistributed Expenditures - Administrative Information Technology:				
Purchased Technical Services	280,861.00	(32,939.85)	247,921.15	65,474.15
Supplies and Materials	3,284.00	-	3,284.00	-
Other Objects	1,050.00	1,059.23	2,109.23	83.87
Total Undistributed Expenditures - Administrative Information Technology	285,195.00	(31,880.62)	253,314.38	65,558.02
Undistributed Expenditures - Required Maintenance for School Facilities:				
Salaries	292,888.00	-	292,888.00	274,661.96
Cleaning, Repair & Maintenance Services	636,030.26	420,878.23	1,056,908.49	818,493.68
Lead Testing of Drinking Water	5,000.00	(3,699.47)	1,300.53	-
General Supplies	41,650.00	11,498.20	53,148.20	25,926.42
Other Objects	8,650.00	(7,039.01)	1,610.99	1,610.99
Total Undistributed Expenditures - Required Maintenance for School Facilities	984,218.26	421,637.95	1,405,856.21	283,862.63

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2020

ACCOUNT NUMBERS	JUNE 30, 2020			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Custodial Services:				
Salaries	407,830.86	-	407,830.86	71,688.09
Salaries of Non-Instructional Aides	76,556.00	(59,207.00)	17,349.00	16,488.58
Purchased Professional and Technical Services	5,000.00	(2,123.92)	2,876.08	2,876.08
Cleaning, Repair & Maintenance Services	18,850.00	-	18,850.00	7,237.04
Other Purchased Property Services	50,000.00	289.54	50,289.54	-
Insurance	201,000.00	(41,032.42)	159,967.58	175.05
General Supplies	67,560.75	5,802.16	73,362.91	4,534.15
Energy (Natural Gas)	55,250.00	-	55,250.00	17,705.53
Energy (Electricity)	260,500.00	20,000.00	280,500.00	5,334.09
Total Undistributed Expenditures - Custodial Services	1,142,547.61	(76,271.64)	1,066,275.97	126,038.61
Undistributed Expenditures - Care and Upkeep of Grounds:				
Cleaning, Repair & Maintenance Services	67,650.00	29,060.00	96,710.00	60,550.36
Other Objects	5,500.00	-	5,500.00	5,500.00
Total Undistributed Expenditures - Care and Upkeep of Grounds	73,150.00	29,060.00	102,210.00	66,050.36
Security:				
Purchased Professional and Technical Services	3,600.00	(3,600.00)	-	-
Cleaning, Repair, and Maintenance Services	167,995.00	(2,807.52)	165,187.48	19,356.11
General Supplies	19,338.97	17,328.91	36,667.88	31,563.22
Other Objects	-	2,265.00	2,265.00	-
Total Security	190,933.97	13,186.39	204,120.36	50,919.33
Undistributed Expenditures - Student Transportation Services:				
Salaries of Non-Instructional Aides	45,950.00	-	45,950.00	20,975.00
Salaries of Pupil Transportation (Between Home & School)	22,386.00	-	22,386.00	5,408.80
Sal for Pupil Trans (Bet Home & Sch)- Sp Ed	32,331.00	-	32,331.00	1,457.40
Other Purchased Prof. and Technical Serv.	3,550.00	1,700.00	5,250.00	-
Contract Services - Aid in Lieu Payments - Non Public Sch	10,000.00	(1,805.00)	8,195.00	5,845.00
Contract Services (Between Home & School) - Vendors	602,284.00	(1,700.00)	600,584.00	154,893.16
Contract Services (Other Than Between Home & School) -	12,100.00	1,805.00	13,905.00	9,490.00
Contract Services (Between Home & School) - Joint Agree	54,480.00	7,500.00	61,980.00	18,239.06
Contract Services (Special Education) - Vendors	174,870.00	13,500.00	188,370.00	61,970.30
Contract Services (Special Education) - ESC's & CTAs	263,089.00	(21,000.00)	242,089.00	44,841.23
Total Undistributed Expenditures - Student Transportation Services	1,221,040.00	-	1,221,040.00	323,119.95

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2020

ACCOUNT NUMBERS	JUNE 30, 2020			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Unallocated Benefits:				
Social Security Contributions	400,000.00	-	400,000.00	293,078.43
Other Retirement Contributions - PERS	475,935.00	-	475,935.00	437,124.91
Pension Contributions	16,000.00	-	16,000.00	2,045.45
Unemployment Compensation	65,000.00	-	65,000.00	49,935.39
Workmen's Compensation	165,000.00	-	165,000.00	158,666.63
Health Benefits	4,991,000.00	(436,934.48)	4,554,065.52	3,816,877.47
Tuition Reimbursement	44,437.00	5,000.00	49,437.00	41,898.24
Other Employee Benefits	197,000.00	-	197,000.00	168,458.04
Total Unallocated Benefits	6,354,372.00	(431,934.48)	5,922,437.52	4,968,084.56
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	-	1,612,922.00
TPAF Social Security (reimbursed)	-	-	-	640,619.79
TPAF Post Retirements	-	-	-	598,365.00
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	2,243.00
Total Undistributed Expenditures	14,445,028.28	(72,532.27)	14,372,496.01	14,895,907.62
Total Expenditures - Current Expense	22,763,002.89	(108,903.00)	22,654,099.89	22,581,573.53
Capital Outlay:				
Equipment:				
Undistributed Expenditures:				
Undistributed Expenditures - Instruction	122,496.96	-	122,496.96	64,502.48
Undistributed Expenditures - Admin Info Tech.	22,239.00	20,994.00	43,233.00	22,239.00
Undist. Expend. - Required Maint for School Fac.	-	15,317.00	15,317.00	15,317.00
Total Equipment	144,735.96	36,311.00	181,046.96	102,058.48
Facilities Acquisition & Construction Services:				
Architectural/Engineering Services	59,036.00	(36,624.00)	22,412.00	22,198.89
Construction Services	644,776.00	36,624.00	681,400.00	681,400.00
Assessment for Debt Service on SDA Funding	54,000.00	-	54,000.00	54,000.00
Total Facilities Acquisition & Construction Services	757,812.00	-	757,812.00	757,598.89
Total Capital Outlay	902,547.96	36,311.00	938,858.96	859,657.37

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2020

	ACCOUNT NUMBERS	JUNE 30, 2020			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Schools:					
Summer School - Instruction	13-422-100-101	60,745.00	7,433.00	68,178.00	-
Salaries of Teachers	13-422-100-106	50,400.00	19,443.00	69,843.00	4,413.01
Other Salaries for Instruction		6,560.00	-	6,560.00	4,038.50
Purchase Professional and Technical Services	13-422-100-300	1,458.14	-	1,458.14	201.30
General Supplies	13-422-100-610				1,256.84
Total Summer School - Instruction		119,163.14	26,876.00	146,039.14	9,708.35
Summer School - Support Services	13-422-200-100	51,910.00	(28,520.00)	23,390.00	11,423.50
Salaries	13-422-200-500	71,099.00	1,644.00	72,743.00	5.73
Other Purchase Services					
Total Summer School - Support Services		123,009.00	(26,876.00)	96,133.00	11,429.23
Total Special Schools		242,172.14	-	242,172.14	21,137.58
Transfer to Charter Schools		2,116,071.00	72,592.00	2,188,663.00	-
Total Expenditures		26,023,793.99	(0.00)	26,023,793.99	172,865.53
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)		(1,930,180.99)	-	(1,930,180.99)	(3,199,871.35)
Other Financing Sources/(Uses):					
Transfers In/(Out):		(275,000.00)	-	(275,000.00)	-
Local Contribution-Transfer to Special Revenue Regular					
Total Other Financing Sources/(Uses)		(275,000.00)	-	(275,000.00)	(275,000.00)

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2020

ACCOUNT NUMBERS	JUNE 30, 2020			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses) Fund Balances, July 1	(2,205,180.99) 6,832,524.68	- -	(2,205,180.99) 6,832,524.68	994,690.36 6,832,524.68
Fund Balances, June 30	\$ 4,627,343.69	\$ -	\$ 4,627,343.69	\$ 7,827,215.04
				\$ (3,199,871.35)

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 3,760,868.55
Maintenance Reserve	989,245.00
Excess Surplus	650,000.00
Excess Surplus Designated for Subsequent Year's Expenditures	818,605.19
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	21,759.81
Year-End Encumbrances	962,574.92
Unassigned Fund Balance	624,161.57
Subtotal	7,827,215.04
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	(605,936.60)
Fund Balance per Governmental Funds (GAAP)	\$ 7,221,278.44

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2020**

	JUNE 30, 2020				VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL	BUDGET	FINAL	ACTUAL	
	BUDGET	TRANSFERS	BUDGET		
Revenues:					
Local Sources	\$ -	\$ 67,198.61	\$ 67,198.61	\$ 33,548.56	\$ 33,650.05
State Sources	1,483,879.36	2,834,951.55	4,318,830.91	3,788,742.74	530,088.17
Federal Sources	406,877.64	1,102,724.36	1,509,602.00	1,448,597.18	61,004.82
Total Revenues	1,890,757.00	4,004,874.52	5,895,631.52	5,270,888.48	624,743.04
Expenditures:					
Instruction:					
Salaries of Teachers	550,169.00	796,288.34	1,346,457.34	1,052,987.80	293,469.54
Other Salaries for Instruction	380,196.00	139,532.91	519,728.91	473,024.03	46,704.88
Purchased Professional - Educational Services	-	423,807.00	423,807.00	413,824.66	9,982.34
General Supplies	-	62,720.93	62,720.93	36,525.91	26,195.02
Tuition	262,940.00	60,943.00	323,883.00	319,289.00	4,594.00
Textbooks	30,000.00	(14,082.00)	15,918.00	15,822.11	95.89
Other Objects	2,500.00	-	2,500.00	1,883.60	616.40
Total Instruction	1,225,805.00	1,469,210.18	2,695,015.18	2,313,357.11	381,658.07
Support Services:					
Salaries of Other Professional Staff	111,644.00	(78,640.00)	33,004.00	32,829.70	174.30
Salaries of Supervisor of Instruction	118,107.00	(2,717.11)	115,389.89	115,389.89	-
Salaries of Program Directors	-	118,107.00	118,107.00	117,942.40	164.60
Salaries of Teachers	59,779.00	221.00	60,000.00	59,835.21	164.79
Salaries of Secretaries and Clerical Assistants	58,697.00	48,817.93	107,514.93	107,409.80	105.13
Other Salaries	95,910.00	(32,940.78)	62,969.22	62,969.22	-
Salaries of Master Teachers	142,851.00	-	142,851.00	126,540.00	16,311.00
Personal Services - Employee Benefits	352,964.00	292,656.96	645,620.96	624,056.96	21,564.00
Tuition Reimbursement	-	10,000.00	10,000.00	-	10,000.00
Purchased Educational Services - Head Start/Contracted Pre-K	-	1,511,005.00	1,511,005.00	1,430,292.00	80,713.00
Purchased Educational Services	-	193,000.00	193,000.00	192,700.99	299.01
Other Purchased Services (400-500 Series)	-	54,428.00	54,428.00	53,962.27	465.73
Cleaning, Repair, & Maintenance Svcs.	-	21,067.31	21,067.31	525.00	20,542.31
Rentals	-	112,363.08	112,363.08	97,592.75	14,770.33
Contract Services- Trans (Bet. Home & School)	-	221,617.52	221,617.52	165,897.12	55,720.40
Contract Services- Trans (Field Work)	-	7,500.00	7,500.00	1,800.49	5,699.51
Travel	-	3,000.00	3,000.00	3,000.00	-
Misc. Purchased Services	-	4,889.95	4,889.95	4,359.39	530.56
Supplies and Materials	-	48,788.48	48,788.48	33,720.80	15,067.68
Other Objects	-	2,500.00	2,500.00	1,707.38	792.62
Total Support Services	939,952.00	2,535,664.34	3,475,616.34	3,232,531.37	243,084.97
Total Expenditures	2,165,757.00	4,004,874.52	6,170,631.52	5,545,888.48	624,743.04
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(275,000.00)	-	(275,000.00)	(275,000.00)	-
Other Financing Sources/(Uses):					
Transfer from Operating Budget - PreK	275,000.00	-	275,000.00	275,000.00	-
Total Transfer from Operating Budget - PreK	275,000.00	-	275,000.00	275,000.00	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2020**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 27,120,618.82	\$ 5,545,888.48
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	-	(450,288.90)
Prior Year	-	135,923.35
<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	(605,936.60)	-
Prior Year	548,322.50	-
<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>\$ 27,063,004.72</u>	<u>\$ 5,231,522.93</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 25,850,928.46	\$ 5,545,888.48
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.		
	-	(314,365.55)
<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>\$ 25,850,928.46</u>	<u>\$ 5,231,522.93</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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**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST SEVEN FISCAL YEARS***

	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.0444179691%	0.0430696166%	0.0430696166%	0.0422695900%	0.0410900235%	0.0367192556%	0.0335117246%
School District's proportionate share of the net pension liability	\$ 8,003,444.00	\$ 8,829,958.00	\$ 10,025,918.00	\$ 12,519,040.00	\$ 9,223,887.00	\$ 6,874,843.00	\$ 6,404,756.00
School District's covered payroll	\$ 3,390,646.91	\$ 3,341,194.13	\$ 3,091,075.00	\$ 2,963,675.00	\$ 2,666,057.00	\$ 2,646,705.00	N/A
School District's proportionate share of the net pension liability as a percentage of its covered payroll	236.04%	264.28%	324.35%	422.42%	345.97%	275.78%	N/A
Plan fiduciary net position as a percentage of the total pension liability	56.27%	53.60%	48.10%	40.14%	56.31%	62.41%	58.70%

*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.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST SEVEN FISCAL YEARS***

	2020	2019	2018	2017	2016	2015
School District's contractually required contribution	\$ 432,058	\$ 398,994	\$ 375,517	\$ 353,264	\$ 302,708	\$ 252,504
Contributions in relation to the contractually required contribution	(432,058.00)	(398,994.00)	(375,517.00)	(353,264.00)	(302,708.00)	(252,504.00)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 3,008,317.00	\$ 3,341,194.13	\$ 3,091,075.00	\$ 2,963,675.00	\$ 2,666,057.00	\$ 2,646,705.00
Contributions as a percentage of covered payroll	14.36%	11.94%	12.15%	11.92%	11.35%	9.54%

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.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST SEVEN FISCAL YEARS***

	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%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 42,471,324.00	\$ 41,682,415.00	\$ 41,064,121.00	\$ 46,449,114.00	\$ 40,720,739.00	\$ 33,651,085.00	\$ 32,546,084.00
School District's covered payroll	\$ 8,910,163.00	\$ 8,851,584.37	\$ 7,590,111.05	\$ 6,672,503.00	\$ 6,010,130.00	\$ 5,728,550.00	N/A
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%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.41%	22.33%	28.71%	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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RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST THREE FISCAL YEARS*

	2020	2019	2019
Total OPEB Liability			
Service Cost	\$ 1,677,539	\$ 1,744,964	\$ 2,105,818
Interest Cost	1,404,948	1,495,120	1,287,114
Difference between Actual and Expected	(4,974,028)	(3,663,315)	-
Changes of Assumptions	488,013	(4,028,917)	(5,527,096)
Contributions: Member	29,783	32,446	34,514
Gross Benefit Payments	(1,004,725)	(938,798)	(937,310)
Net Change in Total OPEB Liability	(2,378,470)	(5,358,500)	(3,036,960)
Total OPEB Liability (Beginning)	35,108,859	40,467,359	43,504,319
Total OPEB Liability (Ending)	<u>\$ 32,730,389</u>	<u>\$ 35,108,859</u>	<u>\$ 40,467,359</u>
State's Covered Employee Payroll***	\$ 12,415,172	\$ 12,242,231	\$ 11,557,172
Net OPEB Liability as a Percentage of Payroll	264%	287%	350%

*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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**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2020**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.86% as of June 30, 2018, to 5.60% as of June 30, 2019.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.66% as of June 30, 2018, to 6.28% as of June 30, 2019.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.87% as of June 30, 2018, to 3.5% as of June 30, 2019.

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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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**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020**

	Title I	Title IIA	Title III	Title III- Immigrant	I.D.E.A. - Basic	I.D.E.A. - Preschool
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-
Federal Sources	917,353.71	45,561.78	86,171.69	2,584.00	383,748.00	13,178.00
Total Revenues	\$ 917,353.71	\$ 45,561.78	\$ 86,171.69	\$ 2,584.00	\$ 383,748.00	\$ 13,178.00
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 427,255.95	12,652.00	\$ 61,550.00	\$ -	\$ -	\$ -
Other Salaries for Instruction	127,182.91	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
General Supplies	-	-	358.00	2,584.00	-	-
Tuition	-	-	-	-	319,289.00	-
Textbooks	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Total Instruction	554,438.86	12,652.00	61,908.00	2,584.00	319,289.00	-
Support Services:						
Salaries of Other Professional Staff	32,829.70	-	-	-	-	-
Salaries of Supervisor of Instruction	-	-	-	-	-	-
Salaries of Program Directors	-	-	-	-	-	-
Salaries of Teachers	-	-	-	-	-	-
Salaries of Secretaries and Clerical Assistants	19,243.20	-	-	-	-	-
Other Salaries	-	-	-	-	-	-
Salaries of Community Parent Involvement	-	-	-	-	-	-
Salaries of Master Teachers	-	-	-	-	-	-
Personal Services - Employee Benefits	266,905.11	-	22,151.85	-	-	-
Tuition Reimbursement	-	-	-	-	-	-
Purchased Educational Services - Head Start	-	-	-	-	-	-
Purchased Educational Services	9,650.00	11,330.46	1,611.84	-	64,459.00	13,178.00
Other Purchased Services (400-500 Series)	31,882.95	21,579.32	500.00	-	-	-
Cleaning, Repair, & Maintenance Svcs.	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Contract Services- Trans (Bet. Home & School)	-	-	-	-	-	-
Contract Services- Trans (Field Work)	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Misc. Purchased Services	-	-	-	-	-	-
Supplies and Materials	2,403.89	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Total Support Services	362,914.85	32,909.78	24,263.69	-	64,459.00	13,178.00
Total Expenditures	917,353.71	45,561.78	86,171.69	2,584.00	\$ 383,748.00	\$ 13,178.00
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-
Other Financing Sources/(Uses):						
Transfer from Operating Budget - PreK	-	-	-	-	-	-
Total Transfer from Operating Budget - PreK	-	-	-	-	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020**

	Non Public Security Aid	Non Public Ch. 192 Auxiliary	Non Public Textbook	Non Public Nursing	Non Public Technology	Non Public Ch. 193 Handicapped
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	45,159.96	56,310.00	15,822.11	29,281.85	10,809.48	94,574.66
Federal Sources	-	-	-	-	-	-
Total Revenues	\$ 45,159.96	\$ 56,310.00	\$ 15,822.11	\$ 29,281.85	\$ 10,809.48	\$ 94,574.66
Expenditures:						
Instruction:						
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Salaries for Instruction	-	-	-	-	-	-
Purchased Professional - Educational Services	-	56,310.00	-	-	-	94,574.66
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-
Tuition	-	-	-	-	-	-
Textbooks	-	-	15,822.11	-	-	-
Other Objects	-	-	-	-	-	-
Total Instruction	-	56,310.00	15,822.11	-	-	94,574.66
Support Services:						
Salaries of Other Professional Staff	-	-	-	-	-	-
Salaries of Supervisor of Instruction	-	-	-	-	-	-
Salaries of Program Directors	-	-	-	-	-	-
Salaries of Teachers	-	-	-	-	-	-
Salaries of Secretaries and Clerical Assistants	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-
Salaries of Community Parent Involvement	-	-	-	-	-	-
Salaries of Master Teachers	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-
Tuition Reimbursement	-	-	-	-	-	-
Purchased Educational Services - Head Start	-	-	-	-	-	-
Purchased Educational Services	45,159.96	-	-	29,281.85	10,809.48	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
Cleaning, Repair, & Maintenance Svcs.	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Contract Services- Trans (Bet. Home & School)	-	-	-	-	-	-
Contract Services- Trans (Field Work)	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Misc. Purchased Services	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Total Support Services	45,159.96	-	-	29,281.85	10,809.48	-
Total Expenditures	45,159.96	56,310.00	15,822.11	29,281.85	10,809.48	94,574.66
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-
Other Financing Sources/(Uses):						
Transfer from Operating Budget - PreK	-	-	-	-	-	-
Total Transfer from Operating Budget - PreK	-	-	-	-	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020

	Preschool Education Aid	Preschool Education Aid FY 19 Carryover	Local Programs	Totals
Revenues:				
Local Sources	\$ -	\$ -	\$ 33,548.56	\$ 33,548.56
State Sources	3,165,500.13	371,284.55	-	3,788,742.74
Federal Sources	-	-	-	1,448,597.18
Total Revenues	\$ 3,165,500.13	\$ 371,284.55	\$ 33,548.56	\$ 5,270,888.48
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 180,245.30	\$ 371,284.55	\$ -	\$ 1,052,987.80
Other Salaries for Instruction	336,908.62	-	8,932.50	473,024.03
Purchased Professional - Educational Services	262,940.00	-	-	413,824.66
Other Purchased Services (400-500 Series)	0.00	-	-	-
General Supplies	33,088.93	-	494.98	36,525.91
Tuition	-	-	-	319,289.00
Textbooks	-	-	-	15,822.11
Other Objects	1,883.60	-	0.00	1,883.60
Total Instruction	815,066.45	371,284.55	9,427.48	2,313,357.11
Support Services:				
Salaries of Other Professional Staff	-	-	-	32,829.70
Salaries of Supervisor of Instruction	115,389.89	-	-	115,389.89
Salaries of Program Directors	117,942.40	-	-	117,942.40
Salaries of Teachers	59,835.21	-	-	59,835.21
Salaries of Secretaries and Clerical Assistants	88,166.60	-	-	107,409.80
Other Salaries	62,969.22	-	-	62,969.22
Salaries of Community Parent Involvement	0.00	-	-	-
Salaries of Master Teachers	126,540.00	-	-	126,540.00
Personal Services - Employee Benefits	335,000.00	-	-	624,056.96
Tuition Reimbursement	0.00	-	-	-
Purchased Educational Services - Head Start/Contracted Pre-K	1,430,292.00	-	-	1,430,292.00
Purchased Educational Services	0.00	-	7,220.40	192,700.99
Other Purchased Services (400-500 Series)	-	-	-	53,962.27
Cleaning, Repair, & Maintenance Svcs.	525.00	-	-	525.00
Rentals	97,592.75	-	-	97,592.75
Contract Services- Trans (Bet. Home & School)	165,897.12	-	-	165,897.12
Contract Services- Trans (Field Work)	1,800.49	-	-	1,800.49
Travel	3,000.00	-	-	3,000.00
Misc. Purchased Services	4,359.39	-	-	4,359.39
Supplies and Materials	14,416.23	-	16,900.68	33,720.80
Other Objects	1,707.38	-	-	1,707.38
Total Support Services	2,625,433.68	-	24,121.08	3,232,531.37
Total Expenditures	3,440,500.13	371,284.55	33,548.56	5,545,888.48
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	3,440,500.13	371,284.55	33,548.56	5,545,888.48
Other Financing Sources/(Uses):				
Transfer from Operating Budget - PreK	275,000.00	-	-	275,000.00
Total Transfer from Operating Budget - PreK	275,000.00	-	-	275,000.00
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2020**

<u>DISTRICT-WIDE TOTALS</u>	2020	2020	
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 808,243.36	\$ 551,529.85	\$ 256,713.51
Other Salaries for Instruction	375,696.00	336,908.62	38,787.38
Other Purchased Services	262,940.00	262,940.00	-
General Supplies	34,500.00	33,088.93	1,411.07
Other Objects	2,500.00	1,883.60	616.40
	<hr/>	<hr/>	
Total Instruction	1,483,879.36	1,186,351.00	297,528.36
Support Services:			
Salaries of Supervisors of Instruction	115,389.89	115,389.89	-
Salaries of Program Directors	118,107.00	117,942.40	164.60
Salaries of Teachers	59,835.21	59,835.21	-
Salaries of Secr. And Clerical Assistants	88,436.60	88,166.60	270.00
Other Salaries	62,969.22	62,969.22	-
Salaries of Masters Teachers	142,851.00	126,540.00	16,311.00
Personal Services - Employee Benefits	355,000.00	335,000.00	20,000.00
Purchased Educational Services - Head Start/Contracted Pre-K	1,521,005.00	1,430,292.00	90,713.00
Purchased Educational Services	5,937.00	-	5,937.00
Tuition Reimbursement	5,000.00	-	5,000.00
Cleaning, Repair, & Maintenance Services	5,000.00	525.00	4,475.00
Rentals	112,363.08	97,592.75	14,770.33
Contracted Transportation Serv. (Bet. Home & Sch)	221,148.00	165,897.12	55,250.88
Contracted Transportation Serv. (Field Trips)	7,500.00	1,800.49	5,699.51
Travel	3,000.00	3,000.00	-
Misc. Purchased Services	4,889.95	4,359.39	530.56
Supplies and Materials	16,610.05	14,416.23	2,193.82
Other Objects	7,500.55	1,707.38	5,793.17
	<hr/>	<hr/>	
Total Support Services	2,852,542.55	2,625,433.68	227,108.87
Total Expenditures	<hr/> <u>\$ 4,336,421.91</u>	<hr/> <u>\$ 3,811,784.68</u>	<hr/> <u>\$ 524,637.23</u>

SUMMARY OF LOCATION TOTALS

Total revised 2019-20 Preschool Education Aid Allocation	\$ 3,565,504.00
Add: Actual ECPA/PEA Carryover (June 30, 2020)	371,284.55
Add: Prior Year Cancelled Encumbrances	124,633.36
Add: Budgeted Transfer from the General Fund 2019-20	<hr/> 275,000.00
Total Preschool Education Aid Funds Available for 2019-20 Budget	4,336,421.91
Less:	
2019-20 Budgeted Preschool Education Aid (Including prior-year budget carryover)	<hr/> 4,336,421.91
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2020	-
Add:	
June 30, 2020 Unexpended Preschool Education Aid	<hr/> 524,637.23
2019-20 Carryover - Preschool Education Aid Programs	<hr/> <u>\$ 524,637.23</u>
2019-20 Preschool Education Aid Carryover Budgeted for Preschool Programs 2020-21	<hr/> <u>\$ 371,285.00</u>

F. Capital Projects Fund

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EXHIBIT F-1

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 YEAR ENDED JUNE 30, 2020

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Original Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2020</u>
			<u>Prior Years</u>	<u>Current Year</u>	
2019 Bond Referendum	11/5/2019	\$ 6,750,000.00	\$ -	\$ 572,335.98	\$ 6,177,664.02
Total		\$ 6,750,000.00	\$ -	\$ 572,335.98	6,177,664.02
			Bond Proceeds Not Received (6,750,000.00)		
			Fund Balance \$ (572,335.98)		

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020**

Expenditures and Other Financing Uses:		
Other Purchased Professional and Technical Services	\$	124,487.00
Construction Services		447,848.98
		572,335.98
Total Expenditures and Other Financing Uses		572,335.98
Excess (Deficiency) of Revenues and Other Financing Sources		
Over (Under) Expenditures and Other Financing Uses		(572,335.98)
Fund Balance, July 1		-
Fund Balance, June 30	\$	(572,335.98)

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
2019 BOND REFERENDUM
YEAR ENDED JUNE 30, 2020**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds	\$ -	\$ -	\$ -	\$ 6,750,000.00
Total Revenues and Other Financing Sources	-	-	-	6,750,000.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	-	124,487.00	124,487.00	124,487.00
Construction Services	-	447,848.98	447,848.98	6,625,513.00
Total Expenditures and Other Financing Uses	-	572,335.98	572,335.98	6,750,000.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ (572,335.98)	\$ (572,335.98)	\$ -

Additional Project Information:

<u>Name of Project:</u>	
<u>2019 Bond Referendum</u>	
DOE Project Number	N/A
SDA Project Number	N/A
Grant Number	N/A
Grant Date	N/A
Bond Authorization Date	11/5/2019
Bonds Authorized	6,750,000.00
Bonds Issued	7/28/2020
Original Authorized Cost	6,750,000.00
Additional Authorized Cost	-
Revised Authorized Cost	6,750,000.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	8.48%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

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H. Fiduciary Fund

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**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020**

	PAYROLL FUND	AGENCY STUDENT ACTIVITY FUND	AGENCY TOTALS	
ASSETS				
Cash & Cash Equivalents	\$ 4,715.21	\$ 18,950.40	\$ 23,665.61	
Total Assets	<u>\$ 4,715.21</u>	<u>\$ 18,950.40</u>	<u>\$ 23,665.61</u>	
LIABILITIES				
Payable for Student Related Activities	\$ -	\$ 18,950.40	\$ 18,950.40	
Payroll Deductions & Withholdings	4,715.21	-	4,715.21	
Total Liabilities	<u>\$ 4,715.21</u>	<u>\$ 18,950.40</u>	<u>\$ 23,665.61</u>	

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2020**

	BALANCE JUNE 30, 2019	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2020
Primary School	\$ 57.50	\$ 127.43	\$ -	\$ 184.93
Middle School	15,734.46	27,819.69	24,788.68	18,765.47
Total All Schools	<u>\$ 15,791.96</u>	<u>\$ 27,947.12</u>	<u>\$ 24,788.68</u>	<u>\$ 18,950.40</u>

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2020**

	BALANCE JUNE 30, 2019	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2020
ASSETS				
Cash & Cash Equivalents	\$ 5,602.47	\$ 15,302,551.78	\$ 15,303,439.04	\$ 4,715.21
Total Assets	<u>\$ 5,602.47</u>	<u>\$ 15,302,551.78</u>	<u>\$ 15,303,439.04</u>	<u>\$ 4,715.21</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 5,602.47	\$ 15,303,439.04	\$ 15,302,551.78	\$ 4,715.21
Total Liabilities	<u>\$ 5,602.47</u>	<u>\$ 15,303,439.04</u>	<u>\$ 15,302,551.78</u>	<u>\$ 4,715.21</u>

I. Long-Term Debt

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RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS PAYABLE
 YEAR ENDED JUNE 30, 2020

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE	BALANCE
						JUNE 30, 2019	JUNE 30, 2020
General Improvements	12/1/14	\$ 7,670,000.00	5/1/2021	415,000.00	4.000%	\$ 830,000.00	\$ 415,000.00
Total						\$ 830,000.00	\$ 415,000.00

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2020

	JUNE 30, 2020			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 428,031.00	\$ -	\$ 428,031.00	\$ 428,031.00
Total Revenues	428,031.00	-	428,031.00	428,031.00
Expenditures:				
Regular Debt Service:				
Interest	13,031.00	-	13,031.00	13,031.00
Redemption of Principal	415,000.00	-	415,000.00	415,000.00
Total Regular Debt Service	428,031.00	-	428,031.00	428,031.00
Total Expenditures	428,031.00	-	428,031.00	428,031.00
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-
Fund Balance, July 1,	0.48	-	0.48	0.48
Fund Balance, June 30,	\$ 0.48	\$ -	\$ 0.48	\$ 0.48

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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RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 14,842,361.92	\$ 13,618,531.08	\$ 12,820,790.22	\$ 12,561,333.77	\$ 12,525,295.12	\$ 11,325,415.52	\$ 11,105,567.10	\$ 11,121,612.46	\$ 10,896,274.39	\$ 10,849,837.93
Restricted	5,646,383.24	5,513,694.82	4,102,784.83	3,149,721.52	1,637,455.95	1,437,594.71	1,311,582.63	884,704.04	493,220.25	608,027.36
Unrestricted (Deficit)	(8,558,733.47)	(8,484,413.18)	(7,325,262.86)	(6,651,931.68)	(5,688,170.19)	552,535.50	(321,981.90)	(125,331.43)	114,756.08	(10,136.44)
Total Governmental Activities	\$ 11,930,011.69	\$ 10,647,812.72	\$ 9,598,312.19	\$ 9,059,123.61	\$ 8,474,580.88	\$ 13,315,545.73	\$ 12,095,167.83	\$ 11,880,985.07	\$ 11,504,250.72	\$ 11,447,728.85
Business-Type Activities:										
Net Investment in Capital Assets	\$ 173,055.16	\$ 198,628.13	\$ 149,311.29	\$ 92,596.64	\$ 65,058.29	\$ 75,599.73	\$ 85,632.60	\$ 98,970.93	\$ 39,772.62	\$ 47,218.76
Unrestricted (Deficit)	300,373.35	311,863.93	168,634.47	300,438.34	245,952.42	99,401.78	122,952.24	178,769.70	280,383.67	236,581.50
Total Business-Type Activities	\$ 473,428.51	\$ 510,492.06	\$ 317,945.76	\$ 393,034.98	\$ 311,010.71	\$ 175,001.51	\$ 208,584.84	\$ 277,740.63	\$ 320,156.29	\$ 283,800.26
District-Wide:										
Net Investment in Capital Assets	\$ 15,015,417.08	\$ 13,817,159.21	\$ 12,970,101.51	\$ 12,653,930.41	\$ 12,590,353.41	\$ 11,401,015.25	\$ 11,191,199.70	\$ 11,220,583.39	\$ 10,936,047.01	\$ 10,897,056.69
Restricted	5,646,383.24	5,513,694.82	4,102,784.83	3,149,721.52	1,637,455.95	1,437,594.71	1,311,582.63	884,704.04	493,220.25	608,027.36
Unrestricted (Deficit)	(8,258,360.12)	(8,172,549.25)	(7,156,628.39)	(6,351,493.34)	(5,442,217.77)	651,937.28	(199,029.66)	53,438.27	395,139.75	226,445.06
Total District Net Position	\$ 12,403,440.20	\$ 11,158,304.78	\$ 9,916,257.95	\$ 9,452,158.59	\$ 8,785,591.59	\$ 13,490,547.24	\$ 12,303,752.67	\$ 12,158,725.70	\$ 11,824,407.01	\$ 11,731,529.11

Source: CAFR Schedule A-1

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 10,898,448.56	\$ 10,385,032.48	\$ 6,254,290.49	\$ 5,854,064.59	\$ 6,027,710.27	\$ 6,180,779.17	\$ 6,119,071.71	\$ 8,110,220.99	\$ 8,446,610.40	\$ 8,591,174.59
Special Education	3,502,998.34	3,634,165.14	1,315,631.78	1,024,997.15	968,781.10	861,555.25	963,464.73	1,182,202.41	1,273,865.14	1,367,417.05
Other Special Education	-	-	1,292,435.30	1,204,673.29	842,937.24	860,302.28	585,767.68	713,008.54	592,289.02	618,453.20
Other Instruction	2,363,710.37	2,859,041.47	2,555.00	1.68	4,949.00	3,140.00	6,919.37	217,874.97	244,607.19	328,220.01
Support Services:										
Tuition	573,548.14	640,224.93	234,636.32	690,059.78	693,169.80	624,824.22	459,556.13	506,784.88	472,193.33	562,113.35
Student & Instruction Related Services	6,461,891.14	7,354,047.28	4,928,069.42	5,125,840.92	4,936,051.88	5,075,742.33	5,426,878.98	4,617,099.67	4,672,953.00	3,744,417.62
General Administration	750,508.32	752,440.09	457,792.90	427,438.14	375,646.31	368,513.07	399,112.39	421,858.49	415,876.18	402,479.49
Central Services	401,708.77	388,535.19	239,319.15	246,353.08	223,911.36	237,581.69	178,755.54	263,808.03	201,406.17	212,192.37
Administration Information Technology Services	256,272.15	369,847.06	132,984.48	230,469.32	114,387.05	153,070.36	100,025.14	94,173.93	114,409.54	26,322.37
School Administrative Services	723,981.71	767,509.71	479,043.11	433,106.02	415,114.65	464,140.33	434,101.56	106,576.95	(208,272.99)	547,087.32
Plant Operations & Maintenance	3,073,239.25	2,674,695.37	1,645,885.25	1,513,286.04	1,424,196.68	1,215,893.51	1,208,786.78	1,302,632.77	1,585,199.23	1,308,837.57
Pupil Transportation	1,225,585.76	1,435,494.88	932,487.26	914,614.28	923,755.45	854,603.83	829,397.69	845,459.88	909,803.40	879,177.62
Unallocated Benefits	-	-	6,948,304.74	7,464,213.94	6,062,332.36	4,129,098.79	4,008,922.86	-	-	-
Special Schools	301,694.18	266,093.98	144,672.67	150,247.35	148,737.93	119,894.90	115,615.23	65,199.68	7,000.00	53,457.57
Charter Schools	2,188,663.00	2,129,227.60	1,599,664.00	1,670,112.00	1,630,085.00	1,643,367.00	1,640,718.00	1,709,733.00	1,690,504.00	1,799,071.00
Interest and Charges on Long-Term Debt	-	-	102,372.91	145,742.46	162,767.46	179,938.25	157,421.51	160,234.09	159,297.29	191,453.85
Unallocated Adjustment to Capital Assets	55,557.69	62,073.43	-	-	30,372.50	-	-	-	-	-
Interest & Other Charges	-	-	-	-	-	-	-	-	-	-
Inallocated Gain on Issue	-	-	465,240.89	486,831.25	487,218.52	493,314.30	479,289.68	5,017.72	5,017.72	-
Unallocated Depreciation	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	32,777,807.39	33,718,428.61	27,175,585.67	27,582,051.29	25,472,124.56	23,465,759.28	23,113,804.98	20,321,886.00	20,582,758.62	20,631,874.98
Expenses										
Business-Type Activities:										
Food Service	940,241.81	952,347.46	832,198.05	713,208.51	816,054.26	748,964.38	715,774.06	575,617.07	515,170.42	467,323.28
Total Business-Type Activities	940,241.81	952,347.46	832,198.05	713,208.51	816,054.26	748,964.38	715,774.06	575,617.07	515,170.42	467,323.28
Expense										
Total District Expenses	\$ 33,718,049.20	\$ 34,670,776.07	\$ 28,007,583.72	\$ 28,295,259.80	\$ 26,288,178.82	\$ 24,214,723.66	\$ 23,829,579.04	\$ 20,897,503.07	\$ 21,097,929.04	\$ 21,099,198.26
Program Revenues:										
Charges for Services:										
Instruction (Tuition)	-	-	\$ 11,800.00	\$ 16,950.00	-	-	-	\$ 10,227.00	\$ 40,803.14	\$ 102,314.14
Operating Grants & Contributions	9,424,379.72	11,201,864.10	5,993,409.63	8,841,337.42	8,417,016.30	7,864,429.13	8,409,799.95	602,897.20	3,599.00	59,791.00
Capital Grants & Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	9,424,379.72	11,201,864.10	6,005,209.63	8,858,287.42	8,417,016.30	7,864,429.13	8,409,799.95	613,124.20	44,402.14	162,105.14
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	86,646.26	119,097.50	134,597.55	136,565.85	137,056.41	137,330.75	101,699.49	125,187.78	129,241.77	126,463.04
Operating Grants & Contributions	816,532.00	903,773.62	827,855.14	777,504.85	711,922.25	644,844.30	577,841.81	547,761.05	482,508.99	454,804.90
Total Business Type Activities	903,178.26	1,022,871.12	914,070.70	914,070.70	848,978.66	782,175.05	679,541.30	672,948.83	611,750.76	581,267.94
Program Revenues										

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total District Program Revenues	\$ 10,327,557.98	\$ 12,224,735.22	\$ 6,919,280.33	\$ 9,772,358.12	\$ 9,265,994.96	\$ 8,646,604.18	\$ 9,089,341.25	\$ 1,286,073.03	\$ 656,152.90	\$ 743,373.08
Net (Expense)/Revenue:										
Governmental Activities	\$ (23,353,427.67)	\$ (22,516,564.52)	\$ (21,170,176.04)	\$ (18,723,763.87)	\$ (17,055,108.26)	\$ (15,601,330.15)	\$ (14,704,005.03)	\$ (19,708,761.80)	\$ (20,538,356.48)	\$ (20,469,769.84)
Business-Type Activities	(37,063.55)	70,523.66	(75,186.07)	81,872.65	135,770.15	(33,879.21)	(69,423.08)	(42,825.23)	36,133.69	66,097.52
Total District-Wide Net Expense	\$ (23,390,491.22)	\$ (22,446,040.86)	\$ (21,245,362.11)	\$ (18,641,891.22)	\$ (16,919,338.11)	\$ (15,635,209.36)	\$ (14,773,428.11)	\$ (19,751,587.03)	\$ (20,502,222.79)	\$ (20,403,672.32)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 17,733,534.00	\$ 17,225,385.00	\$ 16,042,892.00	\$ 15,497,094.00	\$ 14,489,457.00	\$ 13,174,691.04	\$ 12,652,188.00	\$ 12,268,200.00	\$ 12,039,451.00	\$ 11,604,290.00
Taxes Levied for Debt Service	428,031.00	431,984.00	502,125.00	478,775.00	485,190.00	544,861.00	546,695.00	577,942.00	578,280.00	523,262.00
Grants & Contributions	6,380,573.87	5,646,351.45	5,068,265.02	3,193,756.96	3,611,685.85	2,296,625.80	1,691,103.39	7,161,823.44	7,864,191.59	6,943,261.79
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	29.92	24.34	95.68	-	118.72	3,328.23	2,966.95	5,921.35
Miscellaneous Income	94,747.05	303,844.64	96,052.68	138,656.30	32,470.88	845,671.93	29,739.22	74,202.48	109,988.81	104,649.60
Special Item - Loss on Disposal of Assets	(1,259.28)	-	-	-	-	-	(1,656.54)	-	-	-
Total Governmental Activities	24,635,626.64	23,607,565.09	21,709,364.62	19,308,306.60	18,618,899.41	16,861,849.77	14,918,187.79	20,085,496.15	20,594,878.35	19,181,384.74
Business-Type Activities:										
Transfers In/Out	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	96.85	151.62	239.05	295.88	267.29	-	-	423.18
Miscellaneous	-	-	-	-	-	-	409.57	222.34	-	-
Total Business-Type Activities	-	-	96.85	151.62	239.05	295.88	676.86	222.34	-	423.18
Total District-Wide	\$ 24,635,626.64	\$ 23,607,565.09	\$ 21,709,461.47	\$ 19,308,458.22	\$ 18,619,138.46	\$ 16,862,145.65	\$ 14,918,864.65	\$ 20,085,718.49	\$ 20,594,878.35	\$ 19,181,807.92
Change in Net Position:										
Governmental Activities	\$ 1,282,198.97	\$ 1,091,000.57	\$ 539,188.58	\$ 584,542.73	\$ 1,563,791.15	\$ 1,260,519.62	\$ 214,182.76	\$ 376,734.35	\$ 56,521.87	\$ (1,288,385.10)
Business-Type Activities	(37,063.55)	70,523.66	(75,089.22)	82,024.27	136,009.20	(33,583.33)	(68,746.22)	(42,602.89)	36,133.69	66,520.70
Total District	\$ 1,245,135.42	\$ 1,161,524.23	\$ 464,099.36	\$ 666,567.00	\$ 1,699,800.35	\$ 1,226,936.29	\$ 145,436.54	\$ 334,131.46	\$ 92,655.56	\$ (1,221,864.40)

Source: CAFR Schedule A-2

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
FISCAL YEAR ENDING JUNE 30,										
General Fund:										
Restricted	\$ 6,218,718.74	\$ 5,513,694.34	\$ 4,023,993.71	\$ 3,088,849.10	\$ 1,559,410.54	\$ 700,603.42	\$ 516,917.38	\$ 467,193.05	\$ 433,039.84	\$ -
Assigned	984,334.73	770,507.84	740,637.26	733,733.51	1,045,960.73	751,262.80	722,210.79	356,648.58	448,321.06	-
Unassigned	18,224.97	-	103,203.80	138,967.03	120,625.32	78,838.77	126,169.20	175,286.65	-	-
Reserved	-	-	-	-	-	-	-	-	-	561,405.23
Unreserved	-	-	-	-	-	-	-	-	-	201,808.59
Total General Fund	\$ 7,221,278.44	\$ 6,284,202.18	\$ 4,867,834.77	\$ 3,961,549.64	\$ 2,725,996.59	\$ 1,530,704.99	\$ 1,365,297.37	\$ 999,128.28	\$ 881,360.90	\$ 763,213.82
All Other Governmental Funds:										
Restricted										
Debt Service Fund	\$ 0.48	\$ 0.48	\$ 2,562.73	\$ (1.79)	\$ (1.79)	\$ 683.21	\$ 683.21	\$ 682.00	\$ -	\$ -
Capital Projects Fund	(572,335.98)	-	76,228.39	76,228.39	96,176.37	757,287.25	71,771.25	60,180.41	60,180.41	-
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, Reported in:										
Special Revenue Fund	-	-	-	-	(205,404.98)	(264,596.07)	(407,906.70)	(266,952.87)	(278,284.64)	(174,582.69)
Capital Projects Fund	-	-	-	-	-	-	-	-	-	60,180.41
Debt Service Fund	-	-	-	-	-	-	-	-	(12,375.94)	(13,558.28)
Total All Other Governmental Funds	\$ (572,335.50)	\$ 0.48	\$ 78,791.12	\$ 76,226.60	\$ (109,230.40)	\$ 493,374.39	\$ (335,452.24)	\$ (206,090.46)	\$ (230,480.17)	\$ (127,960.56)

Source: CAFR Schedule B-1

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
 (UNAUDITED)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Tax Levy	\$ 18,161,565.00	\$ 17,657,369.00	\$ 16,545,017.00	\$ 15,975,869.00	\$ 14,974,647.00	\$ 13,719,552.04	\$ 13,198,883.00	\$ 12,846,142.00	\$ 12,617,731.00	\$ 12,127,552.00
Tuition Charges	-	-	11,800.00	16,950.00	-	-	-	10,227.00	37,841.16	102,314.14
Interest Earnings	-	29.92	-	24.34	95.68	-	118.72	3,328.23	3,036.92	5,921.35
Miscellaneous	128,295.61	392,510.32	96,052.68	138,656.30	32,470.88	845,671.93	29,739.22	74,202.48	112,880.82	104,649.60
Slate Sources	12,824,298.14	12,106,042.80	9,531,029.63	9,023,928.25	9,127,552.86	8,696,944.43	8,127,786.99	5,999,772.58	5,519,358.25	4,666,366.97
Federal Sources	1,333,399.90	1,404,319.08	1,530,645.02	1,386,231.63	1,438,722.29	1,464,110.50	1,973,116.35	1,764,948.06	2,348,432.34	2,336,685.82
Total Revenues	32,447,558.65	31,560,241.20	27,714,574.25	26,541,659.52	25,573,488.71	24,726,278.90	23,329,644.28	20,698,620.35	20,639,280.49	19,343,489.88
Expenditures										
Instruction:										
Regular Instruction	6,485,430.80	5,948,222.58	6,254,290.49	5,847,334.59	6,027,710.27	6,180,779.17	6,109,655.91	5,275,478.23	5,619,464.54	5,875,897.58
Special Education Instruction	2,084,558.48	2,081,536.40	1,315,631.78	1,024,997.15	968,781.10	861,555.25	963,464.73	934,186.81	1,029,731.37	1,098,535.20
Other Special Instruction	-	-	1,292,435.30	1,204,673.29	842,937.24	860,302.28	585,767.68	642,630.42	503,489.34	618,453.20
Other Instruction	1,406,592.87	1,637,569.75	2,555.00	1.68	4,949.00	3,140.00	6,919.37	2,200.00	408.08	1,280.90
Support Services:										
Tuition	573,548.14	640,224.93	234,636.32	690,059.78	693,169.80	624,824.22	459,556.13	506,784.88	428,312.88	562,113.35
Attendance & Social Work Services	-	-	-	-	-	-	-	-	-	-
Health Services	170,255.64	157,961.12	-	-	-	-	-	-	-	-
Student & Instruction Related Services	4,564,012.89	4,978,541.97	4,928,069.42	5,125,840.92	4,936,051.88	5,075,742.33	5,426,878.98	3,970,357.20	4,428,764.32	3,833,385.74
Educational Media Services/										
School Library	-	-	-	-	-	-	-	-	-	-
Instructional Staff Training	-	-	-	-	-	-	-	-	-	-
General Administration	-	-	457,792.90	427,438.14	375,646.31	368,513.07	384,305.01	350,266.37	341,233.43	345,056.03
Other Administrative Services	549,855.74	525,548.82	479,043.11	433,106.02	415,114.65	464,140.33	434,101.56	391,874.40	393,091.71	407,157.57
Central Services	294,309.69	271,376.04	239,319.15	246,353.08	223,911.36	237,581.69	178,755.54	192,147.32	179,206.26	184,220.52
Administration Information										
Technology Services	187,756.36	258,323.14	132,984.48	221,177.80	114,387.05	153,070.36	100,025.14	94,173.93	114,409.54	26,300.37
School Administrative Services	525,029.84	556,862.77	1,645,885.25	1,500,084.85	1,424,196.68	1,215,893.51	1,173,066.03	1,133,893.42	1,363,243.00	1,247,529.38
Plant Operations & Maintenance	2,251,591.61	1,868,165.99	932,487.26	914,614.28	923,755.45	854,603.83	829,397.69	720,940.74	762,591.71	827,050.32
Pupil Transportation	897,920.05	1,002,634.82	5,848,237.75	4,956,470.94	4,453,825.36	4,171,906.79	4,017,161.10	3,779,299.37	3,056,294.12	3,110,718.15
Unallocated Benefits	7,822,234.35	7,199,947.62	-	-	-	-	-	-	-	-
Charter Schools	2,188,663.00	2,129,227.60	1,599,664.00	1,670,112.00	1,630,085.00	1,643,367.00	1,640,718.00	1,709,733.00	1,690,504.00	1,799,071.00
Special Schools	221,034.56	185,855.83	144,672.67	150,247.35	148,737.93	119,894.90	115,615.23	65,199.68	7,000.00	53,457.57
Capital Outlay	1,377,993.35	73,594.27	355,768.74	229,362.21	1,311,667.82	351,868.92	120,755.08	222,413.43	128,811.06	357,063.98
Debt Service:										
Principal	415,000.00	415,000.00	470,000.00	370,000.00	360,000.00	401,036.26	384,814.35	388,650.53	387,569.38	371,541.35
Interest & Other Charges	67,031.00	73,546.75	113,344.16	108,775.00	125,875.00	143,824.74	161,879.44	176,233.53	189,528.28	202,323.53
Total Expenditures	32,082,818.37	30,004,140.40	26,446,817.78	25,120,649.08	24,980,801.90	23,732,044.65	23,092,836.97	20,556,463.26	20,623,653.02	20,921,155.74
Other Financing Sources/(Uses):										
Transfers in	-	-	2,145,000.00	-	-	-	-	-	-	-
Transfers Out	-	-	(2,115,216.32)	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	29,783.68	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ 364,740.28	\$ 1,556,100.80	\$ 1,297,540.15	\$ 1,421,010.44	\$ 592,686.81	\$ 994,234.25	\$ 236,807.31	\$ 142,157.09	\$ 15,627.47	\$ (1,577,665.86)
Debt Service as a Percentage of Noncapital Expenditures	1.53%	1.66%	2.26%	1.94%	1.98%	2.35%	2.42%	2.83%	2.88%	2.82%

Source: CAFR Schedule B-2

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)**

<u>FISCAL YEAR ENDING JUNE 30,</u>	<u>INTEREST ON INVESTMENTS</u>	<u>TUITION</u>	<u>USE OF FACILITIES</u>	<u>PRIOR YEAR REFUNDS</u>	<u>INSURANCE PROCEEDS</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2020	\$ 779.03	-	\$ -	\$ -	-	\$ 93,968.02	\$ 94,747.05
2019	934.91	-	-	-	444,640.67	(141,730.94)	303,844.64
2018	-	11,800.00	-	-	-	12,329.79	24,129.79
2017	-	16,950.00	-	-	-	76,977.09	93,927.09
2016	8,607.60	-	3,380.14	-	-	3,380.14	15,367.88
2015	7,130.97	-	1,974.00	1,974.00	-	(10,983.29)	95.68
2014	118.72	-	-	-	-	12,202.66	12,321.38
2013	3,226.27	10,227.00	21,003.00	-	-	40,507.95	74,964.22
2012	2,966.95	40,803.14	7,567.50	-	-	15,228.10	66,565.69
2011	5,921.35	102,314.14	1,946.00	16,352.40	-	7,559.76	134,093.65

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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RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	OFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE
2011	\$ 19,743,700	\$ 1,366,109,731	\$ -	\$ -	\$ 668,896,500	\$ 50,437,500	\$ 143,148,400	\$ 2,611,164,971	\$ 374,436,500	\$ 10,721,303	\$ 2,247,449,774	0.569	\$ 2,233,687,962
2012	24,247,600	1,355,504,971	-	-	663,883,700	49,873,800	143,218,400	2,593,919,241	374,121,300	10,572,944	2,230,370,885	0.588	2,143,209,232
2013	27,456,500	1,341,471,541	-	-	663,668,500	44,789,400	142,412,000	2,563,988,421	378,260,500	8,348,145	2,194,076,066	0.616	2,013,589,296
2014	26,904,400	1,304,980,421	-	-	656,484,700	43,564,600	153,793,800	2,447,445,721	378,642,800	6,675,440	2,075,478,361	0.683	1,990,213,711
2015	27,622,000	1,232,412,421	-	-	619,175,000	38,353,100	151,200,400	2,444,637,521	375,834,600	6,567,944	2,075,370,865	0.422	2,075,371,065
2016	15,255,500	1,200,435,700	-	-	651,025,800	28,665,200	175,123,800	2,070,506,000	379,855,900	7,593,910	2,078,099,910	0.445	2,078,099,910
2017	15,285,900	1,223,134,500	-	-	645,228,700	28,360,900	202,216,200	2,506,626,900	378,363,000	8,082,581	2,135,346,481	0.438	2,122,308,781
2018	17,859,600	1,240,059,300	-	-	642,746,900	25,633,900	201,964,200	2,128,263,900	-	7,916,257	2,136,180,157	0.454	2,128,263,900
2019	20,303,100	1,272,362,000	-	-	695,004,700	23,570,600	212,216,200	2,223,456,600	-	8,320,188	2,231,776,788	.0483	2,231,776,788
2020	20,953,800	1,293,632	-	-	720,612,300	23,306,000	214,324,300	2,272,828,400	-	8,612,415	2,281,440,815	0.526	2,281,440,815

Source: Monmouth County Board of Taxation
 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 (R) occurs when the County Board of Taxation requests Treasury to order a reassessment.
 a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
 b. Tax rates are per \$100
 N/A At the time of CAFR Completion, this data was not yet available

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	REGIONAL SCHOOL RATE	MONMOUTH COUNTY	
2011	0.543	0.026	0.569	0.377	0.257	1.712
2012	0.562	0.026	0.588	0.385	0.261	1.757
2013	0.590	0.026	0.616	0.384	0.255	1.810
2014	0.656	0.027	0.683	0.396	0.260	1.913
2015	0.745	0.025	0.770	0.422	0.267	2.033
2016	0.432	0.013	0.445	1.825	0.282	2.074
2017	0.423	0.002	0.438	0.802	0.275	2.076
2018	0.438	0.016	0.454	0.827	0.283	2.153
2019	0.782	0.020	0.454	0.483	0.277	2.028
2020	0.795	0.019	0.814	0.526	0.278	2.272

Source: Municipal Tax Assessor

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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2020		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

DATA NOT AVAILABLE

Total	<u>\$ -</u>	<u>0.000%</u>
-------	-------------	---------------

Taxpayer	2011		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

DATA NOT AVAILABLE

Total	<u>\$ -</u>	<u>-</u>
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Source: Municipal Tax Assessor

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2011	\$ 12,617,731.00	\$ 12,617,731.00	100.00%	-
2012	12,846,142.00	12,846,142.00	100.00%	-
2013	13,198,883.00	13,198,883.00	100.00%	-
2014	544,861.00	544,861.00	100.00%	-
2015	14,974,647.00	14,974,647.00	100.00%	-
2016	15,975,869.00	15,975,869.00	100.00%	-
2017	16,454,017.00	16,454,017.00	100.00%	-
2018	17,022,064.00	17,022,064.00	100.00%	-
2019	17,657,369.00	17,657,369.00	100.00%	-
2020	18,161,565.00	18,161,565.00	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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**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME PER CAPITA	
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2011	\$ 3,880,000.00	\$ 119,501.20	\$ 3,999,501.20	0.55%	325.06
2012	3,530,000.00	80,850.67	3,610,850.67	0.48%	294.19
2013	3,185,000.00	41,036.32	3,226,036.32	0.42%	263.54
2014	2,825,000.00	-	2,825,000.00	0.35%	230.71
2015	2,105,000.00	-	2,105,000.00	0.25%	172.67
2016	2,095,000.00	-	2,095,000.00	0.24%	172.51
2017	1,675,000.00	-	1,675,000.00	0.18%	138.21
2018	1,245,000.00	-	1,245,000.00	N/A	103.11
2019	830,000.00	-	830,000.00	N/A	68.89
2020	415,000.00	-	415,000.00	N/A	0.00

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
See Exhibit J-14 for personal income and population data.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	DEDUCTIONS			
2011	\$ 3,880,000.00	\$ 119,501.20	\$ -	\$ 3,999,501.20	0.17%	\$ 346.27
2012	3,530,000.00	80,850.67	-	3,610,850.67	0.16%	317.56
2013	3,185,000.00	41,036.32	-	3,226,036.32	0.15%	289.65
2014	2,825,000.00		-	2,825,000.00	0.14%	259.72
2015	2,105,000.00		-	2,105,000.00	0.10%	230.82
2016	2,095,000.00		-	2,095,000.00	0.10%	172.50
2017	1,675,000.00		-	1,675,000.00	0.08%	171.95
2018	1,245,000.00		-	1,245,000.00	0.06%	137.86
2019	830,000.00		-	830,000.00	0.04%	68.89
2020	415,000.00		-	415,000.00	0.00%	0.00

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

See Exhibit J-6 for property tax data.

Population data can be found in Exhibit J-14.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2019**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Red Bank Borough	\$ 15,435,960.19	100.0%	\$ 15,435,960.19
Red Bank Regional High School	20,789,973.31	44.1500%	9,178,773.22
Monmouth County General Obligation Debt	512,159,169.00	1.7900%	<u>9,167,649.13</u>
Subtotal, Overlapping Debt			33,782,382.53
Red Bank Public School District Debt			<u>415,000.00</u>
Total Direct & Overlapping Debt			<u><u>\$ 34,197,382.53</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.
Debt Outstanding data provided by each governmental unit.

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 Red Bank. 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

- a 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.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (Dollars in Thousands)

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$ 68,317,520.34	\$ 65,929,686.35	\$ 62,520,014.81	\$ 40,907,892.12	\$ 61,523,073.06	\$ 61,111,157.73	\$ 66,612,555.64	\$ 62,534,282.82	\$ 61,200,949.33	\$ 47,205,283.33
Total Net Debt Applicable to Limit	415,000.00	830,000.00	2,095,000.00	2,095,000.00	2,465,000.00	2,825,000.00	3,185,000.00	3,530,000.00	388,000.00	4,230,000.00
Legal Debt Margin	\$ 67,902,520.34	\$ 65,099,686.35	\$ 60,425,014.81	\$ 38,812,892.12	\$ 59,058,073.06	\$ 58,286,157.73	\$ 63,427,555.64	\$ 59,004,282.82	\$ 60,812,949.33	\$ 42,975,283.33

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.61%	1.26%	3.35%	5.12%	4.01%	4.62%	4.78%	5.64%	0.63%	8.96%
--	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Legal Debt Margin Calculation

Equalized Valuation Basis	
2019	\$ 2,357,604,284.00
2018	2,292,646,666.00
2017	2,181,501,084.00
	<u>\$ 6,831,752,034.00</u>
Average Equalized Valuation of Taxable Property	<u>\$ 2,277,250,678.00</u>
Debt Limit (3% of Average Equalization Value)	\$ 68,317,520.34
Net Bonded School Debt	415,000.00
Legal Debt Margin	<u>\$ 67,902,520.34</u>

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

Demographic and Economic Information

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

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

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**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2011	12,304	731,552,750	61,039	10.80%
2012	12,274	756,735,382	63,001	11.30%
2013	12,241	767,769,606	63,067	8.90%
2014	12,245	809,590,997	66,019	4.60%
2015	12,191	848,884,300	69,410	5.60%
2016	12,144	865,102,128	71,237	4.90%
2017	12,119	913,712,005	75,395	4.20%
2018	12,074	965,414,438	79,978	3.20%
2019	12,048	N/A	N/A	4.20%
2020	11,966	N/A	N/A	2.70%

Sources:

a Population information provided by the NJ Department of Labor and Workforce Development.

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

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

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

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

2020		
EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT

DATA NOT AVAILABLE

Total	<u>0</u>	<u>0.00%</u>
Total Employment - (Estimated)	<u>0</u>	

Source: Borough of Red Bank, Clerk's Office.

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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RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction:										
Regular	62	67	67	70	98	99	108	114	118	118
Special Education	12	12	12	13	13	13	16	20	22	22
Other Special Education	26	25	27	27	33	37	31	27	32	32
Support Services:										
Tuition	12	12	12	-	-	-	-	-	-	-
Student and Instruction Related Services	2	2	2	6	10	10	11	12	13	18
General Administrative Services	6	6	6	5	6	6	6	6	6	6
School Administrative Services	3	3	3	8	13	14	15	15	14	14
Business Administrative Services	12	12	12	4	4	4	4	4	4	4
Plant Operations and Maintenance	2	2	2	14	16	17	17	17	17	17
Pupil Transportation	3	3	3	4	3	3	3	3	3	3
Other Support Services	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	140	144	146	151	196	203	211	218	229	234

Source: District Personnel Records

**RED BANK BOROUGH PUBLIC 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		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^d	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2011	995	13,737,519	13,807	-7.09%	100	1:17	1.1	978	943	9.23%	96.44%
2012	1,055	14,369,509	13,620	-1.35%	100	1:18	1.1	1,030	985	5.34%	95.63%
2013	1,320	22,425,388	16,989	24.73%	102	1:20	1:19	1,121	1,074	8.84%	95.80%
2014	1,368	21,967,297	16,058	-73.97%	102	1:20	1:17	1,362	1,122	21.49%	97.06%
2015	1,397	23,183,259	16,595	3.34%	102	1:20	1:17	1,389	1,162	1.98%	96.33%
2016	1,421	24,412,512	17,180	3.52%	102	1:21	1:21	1,260	1,214	-9.29%	96.35%
2017	1,426	25,561,705	17,925	4.34%	107	1:14	1:18	1,283	1,229	1.83%	95.79%
2018	1,402	26,397,612	18,829	5.04%	110	1:12	1:12	1,410	1,354	9.89%	96.01%
2019	1,428	21,834,265	15,290	-18.79%	118	1:12	1:12	1,401	1,398	-0.63%	99.79%
2020	1,474	25,850,928	17,538	14.70%	117	1:12	1:12	1,418	1,387	1.21%	97.81%

Source: District records

Note: Enrollment based on annual October 15 District count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

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) and are for the full school year ending June 30.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>District/Building</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Primary:										
Red Bank Primary										
Square Feet	62,435	62,435	62,435	62,435	62,435	62,435	64,435	64,435	64,435	64,435
Capacity (Students)	527	527	527	527	527	527	527	527	527	527
Enrollment			708	722	717	721	726	684	681	680
Middle School:										
Red Bank Middle School										
Square Feet	96,850	96,850	96,850	96,850	96,850	96,850	96,850	96,850	96,850	96,850
Capacity (Students)	690	690	690	690	690	690	690	690	690	690
Enrollment			463	485	511	533	549	571	604	652
Other:										
Administration Building (1909)	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650

Number of Schools at June 30, 2020

Elementary = 1

Middle School = 1

Source: District Facilities Office

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.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

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

	<u>*School Facilities</u>	<u>Middle School</u>	<u>Primary School</u>	<u>Other Facilities</u>	<u>Total</u>
	<u>Project # (s)</u>				
2010	N/A	165,949.20	143,737.87	40,103.51	349,790.58
2011	N/A	123,175.70	132,369.08	36,463.72	292,008.50
2012	N/A	130,462.04	134,605.25	54,170.46	319,237.75
2013	N/A	113,069.87	143,589.77	50,053.36	306,713.00
2014	N/A	149,248.05	147,032.03	14,619.75	310,899.83
2015	N/A	178,015.45	158,516.37	19,025.70	355,557.52
2016	N/A	216,872.34	157,757.13	18,773.89	393,403.36
2017	#4360-x01-16-1000	250,735.12	209,830.00	137,246.00	597,811.12
2018	N/A	1,117,771.76	225,600.22	14,125.58	1,357,497.56
2019	N/A	482,724.84	258,803.00	23,886.00	765,413.84
2020	N/A	916,146.09	176,513.58	29,333.91	1,121,993.58
Total School Facilities		<u>\$ 3,844,170.46</u>	<u>\$ 1,888,354.30</u>	<u>\$ 437,801.88</u>	<u>\$ 6,170,326.64</u>

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26-1.3)

Source: District records

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2020
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
COMMERCIAL PACKAGE POLICY			
New Jersey School Boards Association Insurance Group	Property Blanket Building & Contents	\$ 500,000,000	\$ 5,000
	Blanket Extra Expense	50,000,000	5,000
	Valuable Papers and Records	10,000,000	5,000
	Demolition and Increased Cost of Construction	25,000,000	
	Limit Builders Risk	10,000,000	
	Fire Department Service Charge	10,000	
	Arson Reward	10,000	
	Pollutant Cleanup and Removal	250,000	
	Sublimits: Special Flood Hazard Area Flood Zones	25,000,000	500,000
	Accounts Receivable	250,000	
	All Flood Zones	75,000,000	10,000
	Earthquakes	50,000,000	
	Terrorism	1,000,000	
	Electronic Data Processing		
	Hardware/Software	435,000	
	Equipment Breakdown		
	Combined Single Limit per Accident	250,000	1,000
	Comprehensive General Liability		
	Bodily Injury and property Damage	6,000,000	
	Products and Completed Operations	6,000,000	
	Personal Injury and Advertising Injury	6,000,000	
	Employee Benefit Liability	6,000,000	1,000
	Terrorism	1,000,000	
	Automotive Liability	6,000,000	
Selective Insurance	Flood Insurance	1,000,000	20,000
New Jersey School Boards Association Insurance Group	School Board Legal Liability	5,000,000	5,000
New Jersey School Boards Association Insurance Group	Worker's Compensation	2,000,000	
AIG/New Jersey School Boards Association Insurance Group	Excess Worker's Compensation	7-day waiting period	
Monumental Life/Bollinger	Student Accident Insurance	500,000	
	Surety Bonds		
Selective	School Business Administrator/Board Secy.	100,000	
Selective	Treasurer of School Monies	275,000	
New Jersey School Boards Association Insurance Group	Employee Dishonesty	500,000	1,000

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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
Red Bank Borough Public School District
County of Monmouth
Red Bank, NJ 07724

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 Red Bank Borough Public School District as of and for the year ended June 30, 2020, 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 January 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Red Bank Borough Public School District's internal control over financial reporting (internal control) 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 Red Bank Borough Public 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 determination of financial statement amounts. 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.

However, we noted certain immaterial instances of noncompliance that are not required to be reported under Governmental Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, that we reported to management in a separate Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance dated June 30, 2020.

The Red Bank Borough Public School District's Response to Findings

The Red Bank Borough Public School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Robert W. Allison
Certified Public Accountant
Public School Accountant, No. 897

Toms River, New Jersey
January 29, 2021

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
Red Bank Borough Public School District
County of Monmouth
Red Bank, NJ 07724

Report on Compliance for Each Major Federal and State Program

We have audited the Red Bank Borough Public School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2020. The Red Bank Borough Public School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Red Bank Borough Public School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Red Bank Borough Public 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, 2020.

Report on Internal Control Over Compliance

Management of the Red Bank Borough Public School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Respectfully Submitted,
HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Public School Accountant, No. 897

Toms River, New Jersey
January 29, 2021

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2019	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	UNEARNED REVENUE	BALANCE, JUNE 30, 2020	
													(ACCOMPLISHED)	(DUE TO GRANTOR)
U.S. Department of Health and Human Services Passed Through New Jersey Department of Human Services: Medicaid Cluster: Medical Assistance Program (SEMI) Total Medicaid Cluster:	93.778	2005NJSMAP	100-054-7540-211	\$ 86,092.98	7/1/19-6/30/2020	-	-	\$ 86,092.98	\$ (86,092.98)	-	-	\$ -	\$ -	\$ -
Total U.S. Department of Health and Human Services														
U.S. Department of Agriculture Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster: School Breakfast Program School Breakfast Program	10.555 10.555	201NJ04N1099 191NJ04N1099	100-010-3350-028 100-010-3350-028	108,899.82 145,135.25	7/1/19-6/30/19 7/1/18-6/30/19	9,546.30 (3,546.30)	-	108,899.82 118,440.21	(108,899.82) (108,899.82)	-	-	-	-	-
National School Lunch Program National School Lunch Program Healthy Hunger-Free Kids Act Healthy Hunger-Free Kids Act After School Snacks After School Snacks Food Distribution Program (Noncash Assistance)	10.555 10.555 10.555 10.555 10.555 10.555	201NJ04N1099 191NJ04N1099 201NJ04N1099 191NJ04N1099 201NJ04N1099 191NJ04N1099	100-010-3350-026 100-010-3350-026 100-010-3350-026 100-010-3350-026 100-010-3350-026 100-010-3350-026 Unavail.	418,883.89 611,748.11 9,431.66 11,893.62 1,346.08 1,648.01 65,823.93	7/1/19-6/30/20 7/1/18-6/30/19 7/1/19-6/30/20 7/1/18-6/30/19 7/1/19-6/30/20 7/1/18-6/30/19 7/1/19-6/30/20	- - (42,647.94) (831.48) (126.49) 4,230.19 (39,375.72)	-	418,883.89 42,647.94 9,431.66 831.48 1,346.08 126.49 65,823.93 539,091.47	(418,883.89) (418,883.89) (9,431.66) (9,431.66) (1,346.08) (1,346.08) (65,823.93) (495,485.50)	-	-	-	-	-
Summer Food Service Program for Children-Food Summer Food Service Program for Children-Admin	10.559 10.559	201NJ04N1099 201NJ04N1099	100-010-3350-100-103 100-010-3350-100-102	146,152.52 12,283.77	7/1/19-6/30/20 7/1/19-6/30/20	-	-	59,152.20 4,972.51	(146,152.52) (12,283.77)	-	-	-	-	(87,000.32) (7,311.26) (94,311.58)
Total Child Nutrition Cluster														
Fresh Fruit and Vegetable Program Fresh Fruit and Vegetable Program	10.582 10.582	191NJ04L1603 181NJ04L1603	100-10-3350-100-006 100-10-3350-100-006	41,408.21 38,448.88	7/1/19-6/30/20 7/1/18-6/30/19	(4,538.30) (4,538.30)	-	721,662.39 37,908.53 4,538.30	(762,821.67) (41,408.21) -	-	5,558.07	9,788.26	9,788.26	(3,499.68) (3,499.68)
Total U.S. Department of Agriculture														
U.S. Department of Education Passed Through New Jersey Department of Education: Elementary and Secondary Act: Title I - Part A Title I - Part A	84.010 84.010	S010A180030 S010A170030	100-034-5064-194 100-034-5064-194	823,174.00 800,691.00	7/1/19-9/30/20 7/1/18-6/30/19	-	-	704,385.92 309,142.08	(917,353.71) -	-	-	-	-	(212,767.79) (212,767.79)
Title II - Part A, Supporting Effective Instruction Title II - Part A, Supporting Effective Instruction	84.367 84.367	S367A180029 S367A170029	100-034-5063-290 100-034-5063-290	44,809.00 96,781.00	7/1/19-9/30/20 7/1/18-6/30/19	-	-	1,013,728.00 35,977.75 35,929.23	(917,353.71) (45,561.78) -	-	(697.02)	-	(10,281.05) -	
Title III - English Language Acquisition Title III - English Language Acquisition Title III - Immigrant	84.365 84.365 84.365	S365A180030 S365A170030 S011A180030	100-034-5064-187 100-034-5064-187 100-034-5064-187	87,337.00 86,519.00 2,584.00	7/1/19-9/30/20 7/1/18-6/30/19 7/1/19-6/30/20	-	-	91,807.00 46,864.86 42,843.14 2,584.00	(86,171.69) (86,171.69) (2,584.00) (88,755.69)	-	0.26	-	(39,306.57) - (39,306.57)	
Title IV - Part A	84.424	S424A180031	100-034-5063-348	10,810.00	7/1/18-6/30/19	-	-	3,735.00 3,735.00	-	-	-	-	-	-
Special Education Cluster: I.D.E.A. Part B I.D.E.A. Part B	84.027 84.027	H027A180100 H027A170100	100-034-5065-016 100-034-5065-016	381,844.00 371,293.00	7/1/19-9/30/20 7/1/17-6/30/18	-	-	346,190.74 43,878.26	(383,748.00) -	-	-	-	-	(37,557.26) -
I.D.E.A. Preschool	84.173	H173A180114	100-034-5065-020	13,398.00	7/1/19-9/30/20	-	-	13,178.00 13,178.00	(13,178.00) (13,178.00)	-	-	-	-	(37,557.26)
Total Special Education Cluster														
Total U.S. Department of Education														
Total Expenditures of Federal Awards														
				\$ (508,588.14)	\$ -	\$ 2,454,711.20	\$ (2,338,920.04)	\$ 4,861.31	\$ 9,788.26	\$ (397,723.93)	\$ -	\$ -	\$ -	\$ -

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

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**EXHIBIT K-4
SCHEDULE B**

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDING JUNE 30, 2019**

STATE GRANTOR/PROGRAM TITLE New Jersey Department of Education General Fund:	GRANTOR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2019	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS' BALANCES	ADJUSTMENT	MEMO	
											UNEARNED REVENUE	RECEIVABLE
Special Education Categorical Aid	495-034-5120-089	\$ 1,208,304.00	7/1/19-6/30/20	-	-	\$ 1,208,304.00	\$ (1,208,304.00)	-	-	-	\$ -	\$ 119,763.03
Equity Aid	495-034-5120-084	634,293.00	7/1/19-6/30/20	-	-	634,293.00	(634,293.00)	-	-	-	-	62,868.99
Security Aid	495-034-5120-078	4,081,584.00	7/1/19-6/30/20	-	-	4,081,584.00	(4,081,584.00)	-	-	-	-	4,081,584.00
Total State Aid Public						5,924,181.00	(5,924,181.00)	-	-	-	-	5,924,181.00
Transportation Aid	495-034-5120-014	189,188.00	7/1/19-6/30/20	-	-	189,188.00	-	-	-	-	-	189,188.00
Extracurricular Aid	495-034-5120-044	226,237.00	7/1/19-6/30/20	(210,982.00)	-	210,982.00	(226,237.00)	-	-	(226,237.00)	-	226,237.00
Extracurricular Aid	495-034-5120-044	2,109,820.00	7/1/19-6/30/20	-	-	2,109,820.00	-	-	-	-	-	-
Additional Non-Public Transportation Aid	495-034-5120-014	12,489.00	7/1/19-6/30/20	(1,740.00)	-	1,740.00	(12,489.00)	-	-	(12,489.00)	-	12,489.00
Additional Non-Public Transportation Aid	495-034-5120-014	640,619.79	7/1/19-6/30/20	-	-	640,619.79	(640,619.79)	-	-	-	-	640,619.79
Retirement (TPAF - Social Security Contributions)	495-034-5094-003	598,365.00	7/1/19-6/30/20	-	-	598,365.00	(598,365.00)	-	-	-	-	598,365.00
Medical (Noncash Assistance)	495-034-5094-001	1,612,922.00	7/1/19-6/30/20	-	-	1,612,922.00	(1,612,922.00)	-	-	-	-	1,612,922.00
TPAF - Pension	495-034-5094-002	2,243.00	7/1/19-6/30/20	-	-	2,243.00	(2,243.00)	-	-	-	-	2,243.00
Contributions (Noncash Assistance)	495-034-5094-002											
TPAF - Long-Term Disability	495-034-5094-004											
Insurance (Noncash Assistance)												
Total General Fund				(212,722.00)		9,180,240.79	(9,206,344.79)			(238,726.00)		605,916.60
Special Revenue Fund:												
Non-Public Aid:												
Textbooks	100-034-5120-064	15,918.00	7/1/19-6/30/20	96.51	-	15,918.00	(15,822.11)	-	(96.51)	-	-	95.89
Textbooks	100-034-5120-064	15,753.00	7/1/18-6/30/19	-	-	29,294.00	(29,281.85)	-	-	-	-	12.15
Nursing Services	100-034-5120-070	30,165.00	7/1/18-6/30/19	1,552.24	-	10,872.00	(10,809.48)	-	(1,552.24)	-	-	10,809.48
Technology Initiative	100-034-5120-573	10,620.00	7/1/18-6/30/19	10.43	-	45,300.00	(45,159.96)	-	(10.43)	-	-	140.04
Technology Initiative	100-034-5120-573	10,620.00	7/1/18-6/30/19	8,943.15	-	55,972.00	(55,972.00)	-	(8,943.15)	-	-	55,972.00
Security Aid	100-034-5120-509	16,950.00	7/1/19-6/30/20	-	-	338.00	(338.00)	-	-	(338.00)	-	338.00
Auxiliary Services Aid (Chapter 192):												
Complementary Education	100-034-5120-067	48,721.00	7/1/18-6/30/19	-	-	40,137.00	(40,137.00)	-	-	-	-	40,137.00
Compensatory Education	100-034-5120-067	338.00	7/1/18-6/30/19	16,814.76	-	24,608.00	(19,467.66)	-	(16,814.76)	-	-	19,467.66
Home Instruction	100-034-5120-067	40,137.00	7/1/19-6/30/20	5,916.58	-	34,970.00	(34,970.00)	-	(5,916.58)	-	-	34,970.00
Handicapped Services (Chapter 193):												
Examination and Classification	100-034-5120-066	44,410.00	7/1/19-6/30/20	5,237.00	-	9,650.61	(9,650.61)	-	-	-	-	9,650.61
Exam Preparation	100-034-5120-066	40,137.00	7/1/18-6/30/19	16,814.76	-	361,632.50	(361,632.50)	-	-	-	-	361,632.50
Exam Preparation	100-034-5120-066	44,410.00	7/1/18-6/30/19	16,814.76	-	40,137.00	(40,137.00)	-	-	(338.00)	-	40,137.00
Examination and Classification	100-034-5120-066	44,410.00	7/1/18-6/30/19	5,916.58	-	34,970.00	(34,970.00)	-	(5,916.58)	-	-	34,970.00
Corrective Speech	100-034-5120-066	23,392.00	7/1/19-6/30/20	5,237.00	-	3,536,784.68	(3,536,784.68)	-	(5,237.00)	-	-	3,536,784.68
Corrective Speech	100-034-5120-066	23,392.00	7/1/18-6/30/19	5,237.00	-	361,632.50	(361,632.50)	-	-	-	-	361,632.50
Supplementary Instruction	100-034-5120-066	34,970.00	7/1/19-6/30/20									
Supplementary Instruction	100-034-5120-066	34,970.00	7/1/18-6/30/19									
Preschool Education Aid	495-034-5120-086	3,616,325.00	7/1/18-6/30/19									
Preschool Education Aid	495-034-5120-086	3,616,325.00	7/1/18-6/30/19									
Total Special Revenue Fund				48,221.28		3,827,657.10	(3,788,742.74)		(38,570.67)		(338.00)	\$ 4,450.94
New Jersey Department of Agriculture:												
Enterprise Fund:												
National School Lunch Program	100-010-3350-023	9,954.87	7/1/19-6/30/20	-	-	7,349.79	(9,954.87)	-	-	(2,605.08)	-	9,954.87
National School Lunch Program	100-010-3350-023	10,835.33	7/1/18-6/30/19	(757.32)	-	757.32	-	-	-	-	-	757.32
Total Enterprise Fund				(757.32)		8,107.11	(9,954.87)			(2,605.08)		9,954.87
Total State Financial Assistance				\$ (165,288.04)		\$ 13,016,005.00	\$ (13,009,942.40)		\$ (38,570.67)		\$ (241,669.08)	\$ 4,450.94
State Financial Assistance Programs not Subject to Calculation for Major Program Determination:												
TPAF - Post Retirement												
TPAF - Post Retirement												
TPAF - Post Retirement	495-034-5094-001	\$ 598,365.00	7/1/19-6/30/20	-	-	-	-	-	-	-	-	-
Contributions (Noncash Assistance)	495-034-5094-002	1,612,922.00	7/1/19-6/30/20	-	-	-	-	-	-	-	-	-
TPAF - Long-Term Disability	495-034-5094-004	2,243.00	7/1/19-6/30/20	-	-	-	-	-	-	-	-	-
Insurance (Noncash Assistance)												
Total State Financial Assistance Subject to Calculation for Major Program Determination												
												\$ (10,201,412.40)

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

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RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2020

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 Red Bank Borough Public 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, 2020. 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, 2020.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
 FINANCIAL ASSISTANCE
 YEAR ENDED JUNE 30, 2020 (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 (\$57,614.10) for the general fund and (\$314,365.55) 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	\$ 86,092.98	\$ 9,148,630.69	\$ 9,234,723.67
Special Revenue Fund	1,247,306.92	3,675,667.45	4,922,974.37
Food Service Fund	804,229.88	9,954.87	814,184.75
Total Awards & Financial Assistance	<u>\$ 2,137,629.78</u>	<u>\$ 12,834,253.01</u>	<u>\$ 14,971,882.79</u>

Note 4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 5. Federal and State Loans Outstanding

The Red Bank Borough Public School District had no loan balances outstanding at June 30, 2020.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

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>
84.010	S010A170030	Title I

Dollar threshold used to determine Type A programs \$ 750,000.00

Auditee qualified as low-risk auditee? X yes no

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

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

State Financial Assistance

Dollar threshold used to determine Type A programs	\$	750,000.00
Auditee qualified as low-risk auditee?	<u> X </u>	yes no
Internal control over major programs:		
1) Material weakness(es) identified?	<u> </u>	yes <u> X </u> no
2) Significant deficiency(ies) identified?	<u> </u>	yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs		Unmodified

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
	State Aid Public
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

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.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

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.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2020**

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.