

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT

Red Bank, New Jersey
County of Monmouth

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

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

YEAR ENDED JUNE 30, 2023

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

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

(First Section)

Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	7
Consultants and Advisors	9
Certificate of Excellence	11

FINANCIAL SECTION

(Second Section)

Independent Auditor's Report	15
------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis	21
--------------------------------------	----

BASIC FINANCIAL STATEMENTS

A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	33
A-2 Statement of Activities	34
B. Fund Financial Statements:	
B-1 Balance Sheet	39
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	40
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	41
Proprietary Funds:	
B-4 Statement of Net Position	45
B-5 Statement of Revenues, Expenditures and Changes in Fund Net Position	46
B-6 Statement of Cash Flows	47
Notes to Basic Financial Statements	53

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	91
C-2 Budgetary Comparison Schedule – Special Revenue Fund	103
Notes to the Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	107

REQUIRED SUPPLEMENTARY INFORMATION – PART III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	113
L-2 Schedule of the School District Contributions - PERS	114
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	115

TABLE OF CONTENTS

	PAGE
M. Schedules Related to Accounting and Reporting for Other Post Employment Benefits (GASB 75)	
M-1 Schedule of Changes in the Net OPEB Liability and Related Ratios - OPEB	119
Notes to the Required Supplementary Information - Part III	123
OTHER SUPPLEMENTARY INFORMATION	
D. School Based Budget Schedules Fund (if applicable):	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues & Expenditures - Special Revenue Fund – Budgetary Basis	131
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	135
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	139
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	140
F-2a Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis 2019 Bond Referendum	141
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	N/A
G-2 Combining Schedule of Revenues, Expenses & Changes in in Fund Net Position	N/A
G-3 Combining Schedule of Cash Flows	N/A
Internal Service Fund –	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A

TABLE OF CONTENTS

	PAGE
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds Payable	145
I-2 Schedule of Obligations Under Leases	146
I-3 Debt Service Fund - Budgetary Comparison Schedule	147
I-4 Schedule of Early Retirement Incentive Plan Loans Payable	N/A

STATISTICAL SECTION (Unaudited) (Third Section)

Financial Trends:	
J-1 Net Position by Component	153
J-2 Changes in Net Position	154
J-3 Fund Balances – Governmental Funds	156
J-4 Changes in Fund Balances – Governmental Funds	157
J-5 General Fund - Other Local Revenue by Source	158
Revenue Capacity:	
J-6 Assessed Value & Actual Value of Taxable Property	161
J-7 Direct and Overlapping Property Tax Rates	162
J-8 Principal Property Taxpayers	163
J-9 Property Tax Levies and Collections	164
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	167
J-11 Ratios of Net General Bonded Debt Outstanding	168
J-12 Ratios of Overlapping Governmental Activities Debt	169
J-13 Legal Debt Margin Information	170
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	173
J-15 Principal Employers	174
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	177
J-17 Operating Statistics	178
J-18 School Building Information	179
J-19 Schedule of Required Maintenance	180
J-20 Insurance Schedule	181

SINGLE AUDIT SECTION (Fourth Section)

K-1 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	185
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with Uniform Guidance and New Jersey OMB Circular Letter 15-08	187
K-3 Schedule of Expenditures of Federal Awards, Schedule A	191
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	193
K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	195
K-6 Schedule of Findings and Questioned Cost	
Section I - Summary of Auditor's Results	197
Section II - Financial Statement Findings	199
Section III - Federal Awards & State Financial Assistance Findings & Questioned Costs	200
K-7 Summary Schedule of Prior Year Audit Findings	201

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INTRODUCTORY SECTION

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Red Bank Borough Public Schools

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



December 27, 2023

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 Annual Comprehensive Financial Report of the Red Bank School District (hereafter the "District") for the fiscal year ending June 30, 2023. 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 Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be in conjunction with it), 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 Pre-K through 8.



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



In the 2022-2023 fiscal year, the District’s official enrollment was 1265 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>
2022-2023	1265	-7.12%
2021-2022	1362	-1.59%
2020-2021	1384	-3.35%
2019-2020	1432	0.28%
2018-2019	1428	1.85%
2017-2018	1402	-1.68%
2016-2017	1426	0.56%
2015-2016	1418	1.79%
2014-2015	1393	-4.52%
2013-2014	1459	-2.34%

The District includes a charter school. The charter school students are not reflected in the student enrollment above. The enrollment in the charter school in 2022-23 fiscal year is 188 students, including preschool. The charter school received approximately \$2.7 million in state aid through the District.

2. ECONOMIC CONDITION AND OUTLOOK: While the economy today is in a state of flux due to impacts from the COVID 19 pandemic, we are optimistic that there will be signs of positive economic growth in the next few years. Currently there are still many uncertainties for the future.

The major funding source for the operating budget continues to be the local tax levy. The local tax levy funded approximately 55% of the 2022-2023 final general operating 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 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. The referendum passed in late 2019 has covered projects at both schools including new windows and brickwork at the Middle School and HVAC upgrades and a new roof and drainage at the Primary School. The district had applied for and received CCRSA-CARES, ESSER II and ESSER III grants which were used for additional COVID 19 -related air quality replacements and enhancements as well as return to school projects in addition to student related items such as Chromebooks, Internet access, digital subscriptions. These grant funds overlap fiscal years and some of the grant funds will be available to the district through 2024. Additionally, the district applied for a ROD grant to replace aging boilers in the Middle School.



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



3. MAJOR INITIATIVES: The major financial initiative of the District includes 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.



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



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,

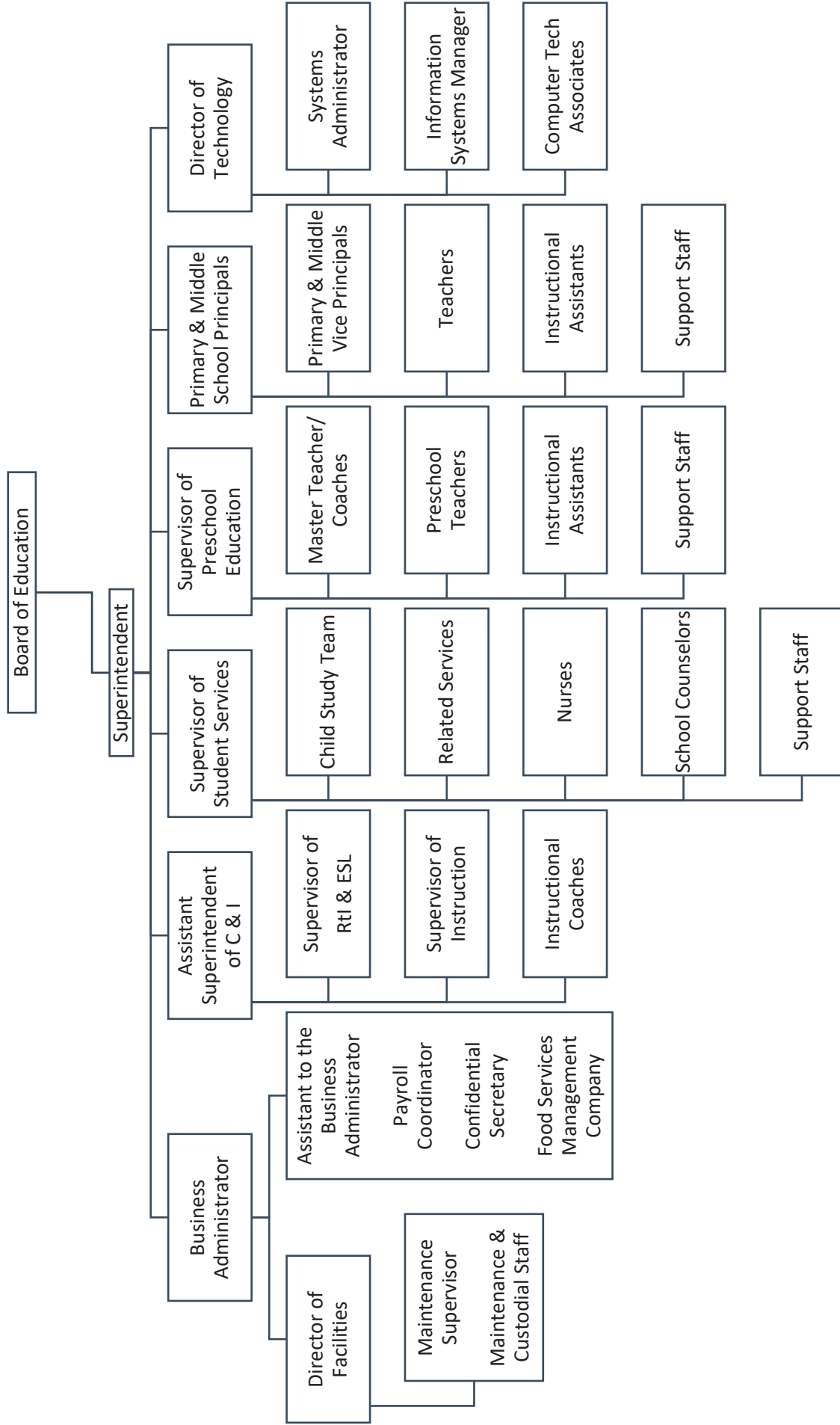
A handwritten signature in blue ink, appearing to be 'J. R.', written over a white background.

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

A handwritten signature in blue ink, appearing to be 'A. Sciarrillo', written over a white background.

Anthony Sciarrillo
Business Administrator/Board Secretary

Red Bank Borough Public Schools
2022-2023 Organizational Chart
 BOE Approved August 9, 2022



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**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
RED BANK, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2023**

Members of the Board of Education

TERM EXPIRES

Dominic Kalorin, President	2024
Erik Perry, Vice President	2025
Pamela McArthur	2023
Ben Forest	2025
Laura Camargo	2023
Ann Roseman	2024
Suzanne Viscomi	2025
Dr. Frederick Stone	2024
Jennifer H. Garcia	2023

Other Officials

Dr. Jared Ramage, Superintendent of Schools
Valery Petrone, Interim 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, 2023**

AUDITOR/AUDIT FIRM

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

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)
JP Morgan Chase
Lakeland 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 Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.

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



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

John W. Hutchison
President

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

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

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FINANCIAL SECTION

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Certified Public Accountants + Advisors

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Red Bank Borough Public School District
County of Monmouth
Red Bank, New Jersey 07701

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Red Bank Borough Public School District, County of Monmouth, State of New Jersey, as of and for the fiscal year ended, June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the School District as of June 30, 2023, and the respective changes in the financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,
HOLMAN FRENIA ALLISON, P.C.

Brian J. Waldron
Certified Public Accountant
Public School Accountant, No. 2600

Lakewood, New Jersey
December 27, 2023

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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, 2023

This section of the Red Bank Borough Public School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

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

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- In total, net position of governmental activities increased \$6,950,208.08, which represents a 36.86% increase from 2022. Total net position of business-type activities decreased \$36,104.87, which represents a -5.94% decrease from 2022.
- General revenues accounted for \$31,385,442.70 in revenue or 71.19% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$12,698,949.95 or 28.81% of total revenues of \$44,084,392.65. Operating grants and contributions decreased by \$615,103.82 and miscellaneous revenues increased by \$572,366.95 from 2022.
- Total assets of governmental activities increased by \$6,081,193.83 as cash and cash equivalents increased by \$3,583,223.36, receivables decreased by \$623,549.75, restricted cash and cash equivalents increased by \$2,000,011.78, and total capital assets increased by \$1,212,114.73.
- Total liabilities of governmental activities increased by \$1,273,902.75 as non-current liabilities due beyond one year increased by \$589,571.60. Of the total decrease in non-current liabilities, \$1,074,668.00 is attributed to pension liability.
- The District had \$36,061,514.38 in governmental activity expenses; only \$11,629,430.08 of these expenses were offset by program specific charges for services, grants, or contributions.
- In the governmental funds, the general fund had \$34,482,367.58 in revenues and \$30,202,114.02 in expenditures and transfers. The general fund's fund balance increased by \$4,280,253.56 over 2022.
- Capital Outlay expenditures increased \$1,143,729.71, which represents a 165.53% increase from 2022.

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the 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 has no Fiduciary Funds.

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

Government-Wide Financial Analysis

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

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

Net Position
June 30, 2023

	Governmental Activities		Business-Type Activities	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets				
Current and Other				
Assets	\$ 21,685,268.30	\$ 16,816,189.20	\$ 264,707.45	\$ 502,798.67
Capital Assets, Net	19,623,099.66	18,410,984.93	332,898.59	131,353.52
Total Assets	<u>41,308,367.96</u>	<u>35,227,174.13</u>	<u>597,606.04</u>	<u>634,152.19</u>
Deferred Outflows of Resources				
Deferred Outflows				
Relating to Pension	840,254.00	726,284.00	-	-
Total Deferred Outflows of Resources	<u>840,254.00</u>	<u>726,284.00</u>	<u>-</u>	<u>-</u>
Liabilities				
Long-Term Liabilities	12,657,006.52	12,061,246.06	-	-
Other Liabilities	2,076,655.58	1,398,513.29	26,314.48	28,501.34
Total Liabilities	<u>14,733,662.10</u>	<u>13,459,759.35</u>	<u>26,314.48</u>	<u>28,501.34</u>
Deferred Inflows of Resources				
Deferred Inflows				
Relating to Pension	1,611,219.00	3,640,166.00	-	-
Total Deferred Inflows of Resources	<u>1,611,219.00</u>	<u>3,640,166.00</u>	<u>-</u>	<u>-</u>
Net Position				
Net Investment in				
Capital Assets	15,679,173.80	14,117,041.52	332,898.59	131,353.52
Restricted	17,025,076.66	13,539,673.79	-	-
Unrestricted	(6,900,509.60)	(8,803,182.53)	238,392.97	476,042.91
Total Net Position	<u>\$ 25,803,740.86</u>	<u>\$ 18,853,532.78</u>	<u>\$ 571,291.56</u>	<u>\$ 607,396.43</u>

The District's largest net position component is the Restricted Net Position portion as shown above.

Restricted balances represent resources that are subject to external restrictions on how they may be used. Restricted net position increased \$3,485,402.87 from the prior year to 17,025,076.66 at June 30, 2023.

Unrestricted net position may be used to meet the District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The (\$6,900,509.6) is shown as unrestricted net position for Governmental Activities.

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

	<u>June 30, 2023</u>		
	Governmental	Business-Type	Total
	<u>Activities</u>	<u>Activities</u>	
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 945,735.97	\$ 945,735.97
Operating Grants and Contributions	11,629,430.08	123,783.90	11,753,213.98
General Revenues:			
Property Taxes	19,197,996.00	-	19,197,996.00
Federal and State Aid	11,652,731.74	-	11,652,731.74
Miscellaneous	531,564.64	3,150.32	534,714.96
Total Revenues	<u>43,011,722.46</u>	<u>1,072,670.19</u>	<u>44,084,392.65</u>
Expenses:			
Instructional Services	17,098,503.75	-	17,098,503.75
Support Services	16,051,862.05	1,108,775.06	17,160,637.11
Transfer to Charter Schools	2,744,801.00	-	2,744,801.00
Interest and Other Charges	166,347.58	-	166,347.58
Total Expenses	<u>36,061,514.38</u>	<u>1,108,775.06</u>	<u>37,170,289.44</u>
Change in Net Position	6,950,208.08	(36,104.87)	6,914,103.21
Net Position, Beginning	18,853,532.78	607,396.43	19,460,929.21
Net Position, Ending	<u>\$ 25,803,740.86</u>	<u>\$ 571,291.56</u>	<u>\$ 26,375,032.42</u>
	<u>June 30, 2022</u>		
	Governmental	Business-Type	Total
	<u>Activities</u>	<u>Activities</u>	
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 1,216,390.13	\$ 1,216,390.13
Operating Grants and Contributions	11,781,380.61	16,730.50	11,798,111.11
General Revenues:			
Property Taxes	18,811,527.00	-	18,811,527.00
Federal and State Aid	8,214,376.87	-	8,214,376.87
Miscellaneous	600,230.33	35.71	600,266.04
Total Revenues	<u>39,407,514.81</u>	<u>1,233,156.34</u>	<u>40,640,671.15</u>
Expenses:			
Instructional Services	17,637,899.69	-	17,637,899.69
Support Services	14,883,035.57	1,112,582.03	15,995,617.60
Transfer to Charter Schools	2,400,685.00	-	2,400,685.00
Interest and Other Charges	171,482.23	-	171,482.23
Total Expenses	<u>35,093,102.49</u>	<u>1,112,582.03</u>	<u>36,205,684.52</u>
Change in Net Position	4,314,412.32	120,574.31	4,434,986.63
Net Position, Beginning (Restated)	14,539,120.46	486,822.12	15,025,942.58
Net Position, Ending	<u>\$ 18,853,532.78</u>	<u>\$ 607,396.43</u>	<u>\$ 19,460,929.21</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, 2023 and 2022 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

	<u>June 30, 2023</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2022	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 11,549,539.56	29.22%	\$ 117,037.20	1.02%
Undistributed	22,870,482.60	57.86%	1,823,198.88	8.66%
Transfer to Charter Schools	2,744,801.00	6.94%	344,116.00	14.33%
Capital Outlay	1,834,666.95	4.64%	1,143,729.71	165.53%
Debt Service:				
Principal	375,000.00	0.95%	72,108.34	23.81%
Interest	150,750.00	0.38%	(47,626.05)	-24.01%
Total	\$ 39,525,240.11	100.00%	\$ 3,452,564.08	9.57%

	<u>June 30, 2022</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2021	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 11,432,502.36	31.69%	\$ 1,455,920.21	14.59%
Undistributed	21,047,283.72	58.35%	2,989,734.85	16.56%
Transfer to Charter School	2,400,685.00	6.66%	212,022.00	9.69%
Capital Outlay	690,937.24	1.92%	(687,056.11)	-49.86%
Debt Service:				
Principal	302,891.66	0.84%	(112,108.34)	-27.01%
Interest	198,376.05	0.55%	131,345.05	195.95%
Total	\$ 36,072,676.03	100.00%	\$ 3,989,857.66	12.44%

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

General Fund Budgetary Highlights

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

Significant Budget Transfers and Variations:

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

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 \$36,104.87 in 2022-2023 as compared to an increase in net position of \$120,574.31 in 2021-2022. The primary factor(s) affecting the change in net position of the food service fund is the decrease in funding from State and Federal Government under the State and National Programs.

Capital Assets

At June 30, 2023 the District has capital assets of \$19,955,998.25, net of depreciation, which includes land, construction in progress, land improvements, buildings/construction, machinery and equipment.

	<u>June 30, 2023</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 3,514,100.00	\$ -
Construction In Progress	4,585,003.52	-
Land Improvements	197,398.09	-
Buildings	10,906,188.01	35,719.89
Machinery and Equipment	420,410.04	297,178.70
Total	<u>\$ 19,623,099.66</u>	<u>\$ 332,898.59</u>
	<u>June 30, 2022</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 3,514,100.00	\$ -
Construction In Progress	4,575,792.27	-
Land Improvements	223,404.01	-
Buildings	9,856,086.95	42,642.02
Machinery and Equipment	241,601.71	88,711.50
Total	<u>\$ 18,410,984.94</u>	<u>\$ 131,353.52</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, 2023 and 2022, the District’s outstanding debt issues included \$6,075,000.00 and \$6,450,000.00 respectively of general obligation bonds and \$96,977.00 and \$126,049.45 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, 2023, 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.

Multiple years of underfunding required a conscious effort to "do more with less" in the Red Bank Borough Public Schools. Now that the funding scenario has improved, the District continues to make an efficient budget a top priority. 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 District continues to focus on providing safe, secure schools and the enhancement of student learning.

The Superintendent continues to aggressively seek competitive grants to support robust instructional and extra-curricular programming. Additionally, the District cultivates strong community partnerships to enhance student learning and experiences as a complement to our budgeted programming. Furthermore, shared services with the Borough of Red Bank and collaborations with neighboring districts result in cost savings..

A major challenge is the maintenance and renovations needed at each school location. Due to excessive and consistent underfunding for an extended period of time, many necessary projects were delayed. The Primary School opened in 1971 and is located on ecologically-sensitive property that was severely compromised by Superstorm Sandy. Any type of construction at this location requires extensive planning, special approvals, and additional costs. Many of the projects are underway and anticipation of more expenses in the 2024-25 school year as the Primary School drainage project is scheduled to begin the summer of 2025. As noted, these projects require the navigation of environmental regulations prior to the initiation of any upgrades or renovations.

In general, the Red Bank Borough Board of Education consistently commits itself to sound, conservative fiscal management. We work diligently to provide a highly effective and efficient learning environment, with safety at the forefront, for each child while also being cognizant of the impact our budget has on the local taxpayer.

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, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 7,156,083.98	\$ 198,828.71	\$ 7,354,912.69
Receivables, Net (Note 4)	358,442.94	44,952.94	403,395.88
Inventory	-	20,925.80	20,925.80
Restricted Cash & Cash Equivalents	13,626,971.20	-	13,626,971.20
Capital Assets, Net (Note 5)			
Non-Depreciable	8,099,103.52	-	8,099,103.52
Depreciable	11,523,996.14	332,898.59	11,856,894.73
Right to Use Leased Assets, Net of Amortization (Note 19):	543,770.18	-	543,770.18
Total Assets	41,308,367.96	597,606.04	41,905,974.00
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	840,254.00	-	840,254.00
Total Deferred Outflow of Resources	840,254.00	-	840,254.00
LIABILITIES:			
Accounts Payable	199,241.14	97.04	199,338.18
Due to Other Governments	495,135.60	-	495,135.60
Unearned Revenue	1,351,781.33	7,629.36	1,359,410.69
Accrued Interest	43,484.38	-	43,484.38
Payroll Deduction and Withholdings	5,601.21	-	5,601.21
Internal Balances	(18,588.08)	18,588.08	-
Noncurrent Liabilities (Note 7):			
Due Within One Year	494,618.95	-	494,618.95
Due in More Than One Year	12,162,387.57	-	12,162,387.57
Total Liabilities	14,733,662.10	26,314.48	14,759,976.58
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	1,611,219.00	-	1,611,219.00
Total Deferred Inflow of Resources	1,611,219.00	-	1,611,219.00
NET POSITION:			
Net Investment in Capital Assets	15,679,173.80	332,898.59	16,012,072.39
Restricted for:			
Capital Projects (Note 3)	14,798,053.63	-	14,798,053.63
Debt Service	1.27	-	1.27
Maintenance Reserve (Note 3)	989,257.15	-	989,257.15
Student Activities	22,819.52	-	22,819.52
Excess Surplus	1,214,945.09	-	1,214,945.09
Unrestricted (Deficit)	(6,900,509.60)	238,392.97	(6,662,116.63)
Total Net Position	\$ 25,803,740.86	\$ 571,291.56	\$ 26,375,032.42

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, 2023

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	\$ 12,006,563.68	\$ -	\$ 5,306,266.71	\$ (6,700,296.97)	\$ -	\$ (6,700,296.97)
Special Education Instruction	3,777,417.81	-	689,598.95	(3,087,818.86)	-	(3,087,818.86)
Other Instruction	1,314,522.26	-	239,976.94	(1,074,545.32)	-	(1,074,545.32)
Support Services:						
Tuition	372,415.20	-	-	(372,415.20)	-	(372,415.20)
Student & Instruction Related Services	8,771,328.16	-	4,837,783.67	(3,933,544.49)	-	(3,933,544.49)
General Administrative	982,632.77	-	77,989.71	(904,643.07)	-	(904,643.07)
School Administrative Services	743,435.43	-	59,005.07	(684,430.36)	-	(684,430.36)
Central Services	380,804.17	-	30,223.69	(350,580.48)	-	(350,580.48)
Administrative Info. Technology	376,973.97	-	29,919.71	(347,054.26)	-	(347,054.26)
Plant Operations & Maintenance	2,425,670.52	-	200,040.38	(2,225,630.14)	-	(2,225,630.14)
Pupil Transportation	1,641,840.89	-	130,309.81	(1,511,531.08)	-	(1,511,531.08)
Special Schools	356,760.92	-	28,315.44	(328,445.48)	-	(328,445.48)
Transfer to Charter Schools	2,744,801.00	-	-	(2,744,801.00)	-	(2,744,801.00)
Interest & Other Charges	166,347.58	-	-	(166,347.58)	-	(166,347.58)
Total Governmental Activities	36,061,514.38	-	11,629,430.08	(24,432,084.30)	-	(24,432,084.30)
Business-Type Activities:						
Food Service	1,108,775.06	123,783.90	945,735.97	-	(39,255.19)	(39,255.19)
Total Business-Type Activities	1,108,775.06	123,783.90	945,735.97	-	(39,255.19)	(39,255.19)
Total Primary Government	\$ 37,170,289.44	\$ 123,783.90	\$ 12,575,166.05	(24,432,084.30)	(39,255.19)	(24,471,339.49)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				18,886,642.00	-	18,886,642.00
Property Taxes, Levied for Debt Service				311,354.00	-	311,354.00
Federal & State Aid Restricted				1,685,069.00	-	1,685,069.00
Federal & State Aid Not Restricted				9,967,662.74	-	9,967,662.74
Miscellaneous				531,564.64	3,150.32	534,714.96
Total General Revenues				31,382,292.38	3,150.32	31,385,442.70
Change In Net Position				6,950,208.08	(36,104.87)	6,914,103.21
Net Position - Beginning				18,853,532.78	607,396.43	19,460,929.21
Net Position - Ending				\$ 25,803,740.86	\$ 571,291.56	\$ 26,375,032.42

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, 2023**

	MAJOR FUNDS					TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND		
ASSETS						
Cash & Cash Equivalents	\$ 3,787,771.39	\$ 1,203,314.84	\$ 2,164,996.48	\$ 1.27		\$ 7,156,083.98
Receivables, Net:						
Interfund Receivable	135,041.85	158,546.23	-	-		293,588.08
Due from Other Governments:						
Federal	-	27,374.71	-	-		27,374.71
State	316,376.49	-	-	-		316,376.49
Other	-	5,154.56	-	-		5,154.56
Other Accounts Receivable	600.00	8,937.18	-	-		9,537.18
Restricted Cash & Cash Equivalents	13,626,971.20	-	-	-		13,626,971.20
Total Assets	\$ 17,866,760.93	\$ 1,403,327.52	\$ 2,164,996.48	\$ 1.27		\$ 21,435,086.20
LIABILITIES & FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 175,669.07	\$ 23,572.07	\$ -	\$ -		\$ 199,241.14
Intergovernmental Payable:						
State	-	5,154.60	-	-		5,154.60
Interfund Payable	275,000.00	-	-	-		275,000.00
Unearned Revenue	-	1,351,781.33	-	-		1,351,781.33
Payroll Deduction and Withholdings	5,601.21	-	-	-		5,601.21
Total Liabilities	456,270.28	1,380,508.00	-	-		1,836,778.28
Fund Balances:						
Restricted for:						
Capital Reserve	12,637,714.05	-	-	-		12,637,714.05
Maintenance Reserve	989,257.15	-	-	-		989,257.15
Excess Surplus	1,214,945.09	-	-	-		1,214,945.09
Capital Projects	-	-	2,160,339.58	-		2,160,339.58
Debt Service	-	-	-	1.27		1.27
Student Activities	-	22,819.52	-	-		22,819.52
Committed to:						
Other Purposes	-	-	4,656.90	-		4,656.90
Assigned to:						
Designated for						
Subsequent Year	791,358.00	-	-	-		791,358.00
Other Purposes	1,940,664.72	-	-	-		1,940,664.72
Unassigned	(163,448.36)	-	-	-		(163,448.36)
Total Fund Balances	17,410,490.65	22,819.52	2,164,996.48	1.27		19,598,307.92
Total Liabilities & Fund Balances	\$ 17,866,760.93	\$ 1,403,327.52	\$ 2,164,996.48	\$ 1.27		
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 \$31,123,167.45 and the accumulated depreciation is \$11,500,067.79.						
						19,623,099.66
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.						
						840,254.00
						(1,611,219.00)
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.						
						(43,484.38)
Accrued pension contributions for the June 30, 2023 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.						
						(489,981.00)
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$725,001.68 and the accumulated amortization is \$181,231.50.						
						543,770.18
Long-term liabilities, including net pension liability, compensated absences, bonds payable, and lease liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.						
						(12,657,006.52)
Net Position of Governmental Activities						\$ 25,803,740.86

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 18,886,642.00	\$ -	\$ -	\$ 311,354.00	\$ 19,197,996.00
Miscellaneous	464,920.60	71,958.69	-	-	536,879.29
Total Local Sources	19,351,562.60	71,958.69	-	311,354.00	19,734,875.29
State Sources	14,993,881.04	3,451,148.64	-	160,396.00	18,605,425.68
Federal Sources	136,923.94	5,324,198.55	-	-	5,461,122.49
Total Revenues	34,482,367.58	8,847,305.88	-	471,750.00	43,801,423.46
Expenditures:					
Current:					
Instruction:					
Regular Instruction	4,995,713.92	3,114,368.94	-	-	8,110,082.86
Special Education Instruction	2,551,535.33	-	-	-	2,551,535.33
Other Instruction	887,921.37	-	-	-	887,921.37
Support Services:					
Tuition	372,415.20	-	-	-	372,415.20
Health Services	212,054.38	-	-	-	212,054.38
Student & Instruction Related Services	1,982,515.70	4,478,122.90	-	-	6,460,638.60
General Administrative	747,527.25	-	-	-	747,527.25
School Administrative Services	565,560.46	-	-	-	565,560.46
Central Services	289,692.48	-	-	-	289,692.48
Administrative Information Technology	286,778.87	-	-	-	286,778.87
Plant Operations & Maintenance	1,917,376.53	-	-	-	1,917,376.53
Pupil Transportation	1,249,012.69	-	-	-	1,249,012.69
Unallocated Benefits	5,334,881.89	-	-	-	5,334,881.89
On Behalf TPAF Pension and Social Security Contributions	5,163,142.24	-	-	-	5,163,142.24
Special Schools	271,402.01	-	-	-	271,402.01
Charter Schools	2,744,801.00	-	-	-	2,744,801.00
Capital Outlay	300,782.70	1,524,673.00	9,211.25	-	1,834,666.95
Debt Service:					
Principal	-	-	-	375,000.00	375,000.00
Interest & Other Charges	54,000.00	-	-	96,750.00	150,750.00
Total Expenditures	29,927,114.02	9,117,164.84	9,211.25	471,750.00	39,525,240.11
Excess/(Deficiency) of Revenues Over Expenditures	4,555,253.56	(269,858.96)	(9,211.25)	-	4,276,183.35
Other Financing Sources (Uses):					
Transfers In	-	275,000.00	-	-	275,000.00
Transfers Out	(275,000.00)	-	-	-	(275,000.00)
Total Other Financing Sources (Uses)	(275,000.00)	275,000.00	-	-	-
Net Changes in Fund Balances	4,280,253.56	5,141.04	(9,211.25)	-	4,276,183.35
Fund Balance, July 1	13,130,237.09	17,678.48	2,174,207.73	1.27	15,322,124.57
Fund Balance, June 30	\$ 17,410,490.65	\$ 22,819.52	\$ 2,164,996.48	\$ 1.27	\$ 19,598,307.92

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, 2023**

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$ 4,276,183.35
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	\$ (622,552.00)
Loss on Disposal of Capital Asset	(0.23)
Capital Outlays	<u>1,834,666.95</u>
	1,212,114.72
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.	
	1,069,299.46
Governmental funds recognize the right to use leased assets as a revenue when lease is first entered, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:	
Amortization of Right to Use Leased Assets	(90,606.29)
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.	
	375,000.00
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
	77,425.64
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 (+).	
	1,718.75
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>29,072.45</u>
Change in Net Position of Governmental Activities	<u><u>\$ 6,950,208.08</u></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, 2023**

	MAJOR FUNDS
	BUSINESS-TYPE
	ACTIVITIES -
	ENTERPRISE
	FUNDS
	FOOD
	SERVICE
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 198,828.71
Accounts Receivable:	
Federal	43,344.33
State	1,608.61
Inventories	20,925.80
Total Current Assets	264,707.45
Noncurrent Assets:	
Capital Assets	586,795.95
Less: Accumulated Depreciation	(253,897.36)
Total Capital Assets, Net	332,898.59
Total Noncurrent Assets	332,898.59
Total Assets	\$ 597,606.04
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 97.04
Unearned Revenue	7,629.36
Interfund Payable	18,588.08
Total Current Liabilities	26,314.48
NET POSITION	
Net Investment in Capital Assets	332,898.59
Unrestricted	238,392.97
Total Net Position	\$ 571,291.56

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, 2023**

	MAJOR FUNDS
	BUSINESS-TYPE
	ACTIVITIES -
	ENTERPRISE
	FUNDS
	FOOD
	SERVICE
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 42,098.47
Daily Sales - Non-Reimbursable Programs	72,650.26
Special Functions	8,558.52
Miscellaneous	476.65
	476.65
Total Operating Revenues	123,783.90
Operating Expenses:	
Cost of Sales - Reimbursable Programs	299,258.01
Cost of Sales - Non-Reimbursable Programs	17,751.46
Salaries	116,552.90
Employee Benefits	2,333.53
Supplies and Materials	76,329.63
Depreciation	22,811.28
Management and Administrative Fees/Purchase Technical	573,738.25
	573,738.25
Total Operating Expenses	1,108,775.06
Operating Income/(Loss)	(984,991.16)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	22,526.35
State School Breakfast Program	8,202.00
Federal Sources:	
National School Lunch Program	614,048.95
National School Breakfast Program	133,763.12
Fresh Fruit and Vegetable Program	37,960.86
After School Snacks	3,791.88
Summer Feeding Program	21,595.62
Food Distribution Program	103,427.79
Local Food For School (LFS) Cooperative Program	419.40
Interest Revenue	3,150.32
	3,150.32
Total Nonoperating Revenues/(Expenses)	948,886.29
Change in Net Position	(36,104.87)
Total Net Position - Beginning	607,396.43
Total Net Position - Ending	\$ 571,291.56

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

EXHIBIT B-6

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 2023**

	MAJOR FUNDS
	BUSINESS-TYPE
	ACTIVITIES -
	ENTERPRISE
	FUNDS
	FOOD
	SERVICE
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 154,156.80
Payments to Employees	(116,552.90)
Payments for Employee Benefits	(2,333.53)
Payments to Suppliers	(862,669.47)
	(827,399.10)
Net Cash Provided by/(Used for) Operating Activities	
Cash Flows From Noncapital Financing Activities:	
State Sources	30,728.35
Federal Sources	811,579.83
	842,308.18
Net Cash Provided by/(Used for) Noncapital Financing Activities	
Cash Flows From Capital & Related Financing Activities:	
Purchases of Capital Assets	(224,356.35)
	(224,356.35)
Net Cash Provided by/(Used for) Capital & Related Financing Activities	
Cash Flows From Investing Activities	
Interest	3,150.32
	3,150.32
Net Cash Provided by/(Used for) Investing Activities	
Net Increase/(Decrease) in Cash & Cash Equivalents	(206,296.95)
Balances - Beginning of Year	405,125.66
	Balances - End of Year
	\$ 198,828.71
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Operating Income/(Loss)	\$ (984,991.16)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Depreciation	22,811.28
Food Distribution Program	103,427.79
(Increase)/Decrease in Accounts Receivable, Net	30,911.22
(Increase)/Decrease in Inventories	883.05
Increase/(Decrease) in Unearned Revenue	(538.32)
Increase/(Decrease) in Accounts Payable	97.04
	157,592.06
Total Adjustments	
Net Cash Provided/(Used) by Operating Activities	\$ (827,399.10)

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

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Fiduciary Fund
Not Applicable

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RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the 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, 2023 of 1,282 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 Statement No. 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34* , GASB Statement No. 80, *Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84* . The School District had no component units as of for the year ended June 30, 2023.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

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

A. Government-Wide Financial Statements

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

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

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

B. Governmental Fund Financial Statements

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

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

The School District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay sub-fund.

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

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

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

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, 2023 (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 Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The School District’s fiduciary funds include Custodial Funds, which are used to report fiduciary activities where the School District controls assets that are collected on behalf of other entities. These assets are not held in a trust and are distributed in accordance with applicable policies. The Custodial Funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting in accordance with GASBS No. 84, *Fiduciary Activities* .

The School District reports no fiduciary funds.

Budgets/Budgetary Control

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

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents and Investments

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are considered cash equivalents and stated at cost.

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

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

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

Tuition Receivable/Payable

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

Inventories

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

Interfund Receivables/Payables

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

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at 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, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

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

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Deferred Outflows and Deferred Inflows of Resources

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

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

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Loss on Refunding Debt

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

Bond Premiums, Discounts and Issuance Costs

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

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

Pensions

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

Fund Balance

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

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

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

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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.

Right to Use Assets

The School District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Net Position

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

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

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

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

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and December 27, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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, 2023:

Statement No. 96, Subscription-Based Information Technology Arrangements. This statement establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Management has deemed this to be immaterial to the District's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

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

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

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

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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 and seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2023, the School District’s bank balance of \$21,481,364.65 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 21,307,582.50
Uninsured and Uncollateralized	173,782.15
Total	\$ 21,481,364.65

Investments

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

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.

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

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

Beginning Balance, July 1, 2022	\$ 10,637,702.27
Increased by:	
Interest Earnings	11.78
Deposits Approved by Board	2,000,000.00
Ending Balance, June 30, 2023	\$ 12,637,714.05

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	989,257.15
		989,257.15
Ending Balance, June 30, 2023	\$	989,257.15

Note 4. Accounts Receivable

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

<u>Description</u>	Governmental Funds		Total Governmental Activities
	General Fund	Special Revenue Fund	
Federal Awards	\$ -	\$ 27,374.71	\$ 27,374.71
State Awards	316,376.49	-	316,376.49
Other	600.00	14,091.74	14,691.74
Total	\$ 316,976.49	\$ 41,466.45	\$ 358,442.94
<u>Description</u>	Proprietary Funds		Total Business-Type Activities
	Food Service Fund		
Federal Awards	\$ 43,344.33		\$ 43,344.33
State Awards	1,608.61		1,608.61
Total	\$ 44,952.94		\$ 44,952.94

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 5. Capital Assets

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

	Governmental Activities			Balance June 30, 2023
	Balance July 1, 2022	Additions	Retirements and Transfers	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 3,514,100.00	\$ -	\$ -	\$ 3,514,100.00
Construction in Progress	4,575,792.27	9,211.25	-	4,585,003.52
Total Capital Assets not being depreciated	<u>8,089,892.27</u>	<u>9,211.25</u>	<u>-</u>	<u>8,099,103.52</u>
Capital Assets being depreciated:				
Land Improvements	691,594.40	-	-	691,594.40
Buildings and Improvements	19,360,554.11	1,524,673.00	-	20,885,227.11
Equipment	1,301,695.72	300,782.70	(155,236.00)	1,447,242.42
Total Capital Assets being depreciated	<u>21,353,844.23</u>	<u>1,825,455.70</u>	<u>(155,236.00)</u>	<u>23,024,063.93</u>
Less: Accumulated Depreciation:				
Land Improvements	(468,190.39)	(26,005.92)	-	(494,196.31)
Buildings and Improvements	(9,504,467.16)	(474,571.94)	-	(9,979,039.10)
Equipment	(1,060,094.01)	(121,974.14)	155,235.77	(1,026,832.38)
Total Accumulated Depreciation	<u>(11,032,751.56)</u>	<u>(622,552.00)</u>	<u>155,235.77</u>	<u>(11,500,067.79)</u>
Total Capital Assets being depreciated, net	<u>10,321,092.67</u>	<u>1,202,903.70</u>	<u>(0.23)</u>	<u>11,523,996.14</u>
Total Governmental Activities Capital Assets, net	<u>\$ 18,410,984.94</u>	<u>\$ 1,212,114.95</u>	<u>\$ (0.23)</u>	<u>\$ 19,623,099.66</u>
	Business-Type Activities			Balance June 30, 2023
	Balance July 1, 2022	Additions	Retirements and Transfers	
Business-Type Activities:				
Total Capital Assets being depreciated				
Buildings	\$ 83,877.52	\$ -	\$ -	\$ 83,877.52
Equipment	278,562.08	224,356.35	-	502,918.43
Total Capital Assets being depreciated	<u>362,439.60</u>	<u>224,356.35</u>	<u>-</u>	<u>586,795.95</u>
Less: Accumulated Depreciation:				
Buildings	(41,235.50)	(6,922.13)	-	(48,157.63)
Equipment	(189,850.58)	(15,889.15)	-	(205,739.73)
Total Capital Assets being depreciated, net	<u>(231,086.08)</u>	<u>(22,811.28)</u>	<u>-</u>	<u>(253,897.36)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 131,353.52</u>	<u>\$ 201,545.07</u>	<u>\$ -</u>	<u>\$ 332,898.59</u>

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 5. Capital Assets (Continued)

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

<u>Governmental Activities</u>	
Instruction:	
Regular Instruction	\$ 214,396.51
Special Education Instruction	67,451.87
Other Instruction	23,472.91
Support Services:	
Student & Instruction Related Services	176,397.96
General Administrative	19,761.48
School Administrative Services	14,951.04
Central Services	7,658.25
Administrative Info. Technology	7,581.23
Plant Operations & Maintenance	50,687.38
Pupil Transportation	33,018.65
Summer Schools	7,174.73
	7,174.73
Total Depreciation Expense - Governmental Activities	\$ 622,552.00

Note 6. Interfund Receivables, Payables and Transfers

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

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 135,041.85	\$ 275,000.00
Special Revenue Fund	158,546.23	-
Enterprise Fund	-	18,588.08
	\$ 293,588.08	\$ 293,588.08

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, 2023. 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

The principal purpose of the interfund transfers is to assist in funding the Preschool Education Special Education Program.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 7. Long-Term Obligations

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

	Balance			Balance	Balance
	June 30, 2022	Additions	Reductions	June 30, 2023	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 6,450,000.00	\$ -	\$ 375,000.00	\$ 6,075,000.00	\$ 385,000.00
Lease Obligations	652,527.61	-	74,835.09	577,692.52	80,071.95
Compensated Absences	126,049.45	-	29,072.45	96,977.00	29,547.00
Net Pension Liability	4,832,669.00	3,412,171.00	2,337,503.00	5,907,337.00	-
	<u>\$ 12,061,246.06</u>	<u>\$ 3,412,171.00</u>	<u>\$ 2,816,410.54</u>	<u>\$ 12,657,006.52</u>	<u>\$ 494,618.95</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, right to use leased assets and the net pension liability are liquidated by the general fund.

Lease Obligations

The School District has entered into agreements to lease classrooms and office space. The lease agreements qualify as other than short-term leases under GASB 87, and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The first agreement was executed on September 9, 2021 and it for the term commencing July 1, 2021 to June 30, 2022. The agreement shall automatically renew for seven additional one-year terms. The lease is for classrooms and office space and requires monthly payments of \$4,685.65, increasing 3.00% annually. The lease liability is measured at a discount rate of 3.00%. As a result of the lease, the School District has recorded a lease liability with a net book value of \$359,845.11 at June 30, 2023. The right to use asset is described in more detail at Note 19.

The second agreement was executed on July 1, 2014 and has been renewed annually. To be consistent with other leases for similar use, Management has determined it is reasonable that they will continue to renew this lease for seven additional one-year leases and then evaluate all lease space when this and the 1st lease expire. This lease is for classrooms and office space and requires monthly payments of \$2,828.47, increasing 2.50% annually. The lease liability is measured at a discount rate of 2.50%. As a result of the lease, the School District has recorded a lease liability with a net book value of \$217,847.41 at June 30, 2023. The right to use asset is described in more detail at Note 19.

Fiscal Year Ending			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 80,071.95	\$ 14,670.02	\$ 94,741.97
2025	85,037.49	12,362.61	97,400.10
2026	90,221.29	9,912.06	100,133.35
2027	95,631.83	7,312.07	102,943.90
2028	101,277.87	4,556.05	105,833.92
2029	125,452.09	1,637.19	127,089.28
	<u>\$ 577,692.52</u>	<u>\$ 50,450.00</u>	<u>\$ 628,142.52</u>

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 14, 2020, the School District issued \$6,750,000.00 of General Obligation Bonds to fund roofing and HVAC replacements at the Primary School and window replacements at the Middle School. The General Obligation Bonds were issued at interest rates varying from 1.000% to 2.000% and mature in July of 2035.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 7. Long-Term Obligations (Continued)

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 385,000.00	\$ 94,875.00	\$ 479,875.00
2025	400,000.00	91,025.00	491,025.00
2026	400,000.00	87,025.00	487,025.00
2027	425,000.00	83,025.00	508,025.00
2028-2032	2,350,000.00	324,962.50	2,674,962.50
2033-2035	2,115,000.00	106,800.00	2,221,800.00
	<u>\$ 6,075,000.00</u>	<u>\$ 787,712.50</u>	<u>\$ 6,862,712.50</u>

Bonds Authorized but not Issued

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

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 Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

The following represents the membership tiers for PERS:

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

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

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

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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, 2023, the School District reported a liability of \$5,907,337.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The School District's proportion measured as of June 30, 2022, was 0.03914379%, which was a decrease of 0.00165028% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension expense of \$493,622 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 42,636.00	\$ 37,599.00
Changes of Assumptions	18,303.00	884,562.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	244,499.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	44,835.00	689,058.00
School District contributions subsequent to measurement date	489,981.00	-
	\$ 840,254.00	\$ 1,611,219.00

\$489,981 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2022-2023 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.11%. The payable is due on April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

Year Ending June 30,		
2024	\$	(635,570)
2025		(387,005)
2026		(254,744)
2027		145,820
2028		(129,447)
	<u>\$</u>	<u>(1,260,946)</u>

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

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

However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of June 30, 2023. At June 30, 2023, the State's proportionate share of the employer pension expense and related revenue, associated with the District, calculated by the plan as of the June 30, 2022 measurement date was \$12,429.

Actuarial Assumptions – The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

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

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	2.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	8.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	5.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2022, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease <u>(6.00%)</u>	At Current Discount Rate <u>(7.00%)</u>	At 1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 7,653,470.00	\$ 5,907,337.00	\$ 4,513,913.00

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

	<u>6/30/2022</u>	<u>6/30/2021</u>
Collective Deferred Outflows of Resources	\$ 1,660,772,008.00	\$ 1,164,738,169.00
Collective Deferred Inflows of Resources	3,236,303,935.00	8,339,123,762.00
Collective Net Pension Liability	15,219,184,920.00	11,972,782,878.00
School District's portion	0.03914%	0.04079%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - TPAF is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State, the Division). For additional information about TPAF, please refer to Division's ACFR 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, 2023 (Continued)**

Note 8. Pension Plans (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.5% in State fiscal year 2018. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2023 was \$41,785,963.00. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.08099%, which was an increase of 0.003225% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized a pension expense in the amount of \$1,124,577.00 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, 2022 measurement date.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

Actuarial Assumptions – The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	2.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	8.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	5.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

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

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease <u>(6.00%)</u>	At Current Discount Rate <u>(7.00%)</u>	At 1% Increase <u>(8.00%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 48,994,930.00	\$ 41,785,963.00	\$ 35,713,314.00

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 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, 2022 and 2021:

	<u>6/30/2022</u>	<u>6/30/2021</u>
Collective Deferred Outflows of Resources	\$ 5,004,259,312.00	\$ 6,373,530,834.00
Collective Deferred Inflows of Resources	19,682,774,794.00	27,363,906.00
Collective Net Pension Liability	51,676,587,303.00	48,165,991,182.00
School District's portion	0.08099%	0.07776%

C. Defined Contribution Retirement Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in PERS or TPAF on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits;
- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

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

For the year ended June 30, 2023, employee contributions totaled \$5,284.95, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$3,891.78.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

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.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Total Nonemployer OPEB Liability

	TPAF/ABP	PERS	PFRS
	2.75 to 4.25%	2.75% to 6.55%	3.25 to 16.25%
Salary Increases:	based on years of service	based on years of service	based on years of service

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2022 was \$42,317,577. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.08355485%, which was an increase of 0.000028565% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$2,456,934 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2021 was 2.16%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Share of Total OPEB Obligations Associated with the School District	\$ 49,739,860.36	\$ 42,317,577.00	\$ 36,368,987.96
State of New Jersey's Total Nonemployer OPEB Liability	\$ 59,529,589,697.00	\$ 50,646,462,966.00	\$ 43,527,080,995.00

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

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

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate*	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 34,978,063.96	\$ 42,317,577.00	\$ 51,958,473.07
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291.00	\$ 50,646,462,966.00	\$ 62,184,866,635.00

* See Healthcare Cost Trend Assumptions for details of rates.

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 9. Other Post-Retirement Benefits (continued)

Additional Information

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

Differences between Expected & Actual Experience	\$	9,042,402,619	\$	(15,462,950,679)
Changes in Assumption		8,765,620,577		(17,237,289,230)
Contributions Made in Fiscal Year Ending 6/30/23 After Measurement Date		TBD		N/A
	\$	17,808,023,196	\$	(32,700,239,909)

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

Fiscal Year Ending June 30,		
2023	\$	(2,517,151,602.00)
2024		(2,517,151,602.00)
2025		(2,517,151,602.00)
2026		(2,175,449,761.00)
2027		(1,243,951,140.00)
Thereafter		(3,921,361,006.00)
	\$	(14,892,216,713.00)

** Employer Contributions made after June 30, 2022 are reported as deferred outflow of resources, but are not amortized in expense.

Plan Membership

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

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

Changes in the total OPEB Liability

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

Service Cost	\$	2,770,618,025.00
Interest Cost		1,342,187,139.00
Differences Between Expected and Actual Experiences		1,399,200,736.00
Changes in Assumptions		(13,586,368,097.00)
Contributions: Member		42,650,252.00
Gross Benefit Payments		(1,329,476,059.00)
Net Changes in Total OPEB Liability		(9,361,188,004.00)
Total OPEB Liability (Beginning)		60,007,650,970.00
Total OPEB Liability (Ending)	\$	50,646,462,966.00
 Total Covered Employee Payroll	\$	 14,753,335,408.00
Net OPEB Liability as a Percentage of Payroll		343.29%

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2023, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$3,541,000.00, \$789,725.24, \$830,212.00 and \$2,205.00, respectively.

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 Annual Comprehensive 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, 2023 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 12. Contingencies (Continued)

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

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). 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, 2023, the liability for compensated absences reported was \$96,977.00.

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, 2023 (Continued)**

Note 15. Tax Abatements (Continued)

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 was \$1,214,945.09.

Note 17. Fund Balances

General Fund

Of the \$17,410,490.65 General Fund balance at June 30, 2023, \$12,637,714.05 has been restricted for the Capital Reserve Account; \$989,257.15 has been restricted for the Maintenance Reserve Account; \$1,214,945.09 is restricted for excess surplus; \$791,358.00 is assigned for subsequent year expenditures; \$1,940,664.72 have been assigned to other purposes; and \$-163,448.36 has been unassigned.

Special Revenue Fund

Of the \$22,819.52 Special Revenue Fund fund balance at June 30, 2023, \$22,819.52 is restricted for Student Activities.

Capital Projects Fund

Of the \$2,164,996.48 Capital Projects Fund fund balance at June 30, 2023, \$2,160,339.58 is restricted for future capital projects approved by the School District, and \$4,656.90 is restricted for Contractual Commitments in relation to Construction in Progress.

Debt Service Fund

Of the \$1.27 Debt Service Fund balance at June 30, 2023, \$1.27 is restricted for future debt service payments.

Note 18. Deficit in Net Position

Unrestricted Net Position

The School District governmental activities had a deficit in unrestricted net position in the amount of \$6,900,509.60 at June 30, 2023. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for PERS as of June 30, 2023. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 19. Right to Use Leased Assets

The School District has recorded two right to use leased assets. The assets are right to use assets for leased classrooms and office space. The related leases are discussed in the Leases subsection of Note 7, Long-Term Liabilities. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the School District for the year ended June 30, 2023, was as follows:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2023</u>
Right to Used Assets:				
Leased Classroom and Office Space	\$ 725,001.68	\$ -	\$ -	\$ 725,001.68
Total Right to Use Assets	<u>725,001.68</u>	<u>-</u>	<u>-</u>	<u>725,001.68</u>
Less: Accumulated Amortization				
Leased Classroom and Office Space	(90,625.21)	(90,606.29)	-	(181,231.50)
Total Accumulated Amortization	<u>(90,625.21)</u>	<u>(90,606.29)</u>	<u>-</u>	<u>(181,231.50)</u>
	<u>\$ 634,376.47</u>	<u>\$ (90,606.29)</u>	<u>\$ -</u>	<u>\$ 543,770.18</u>

Note 20. Commitments

The District has contractual commitments at June 30, 2023 to various vendors which are recorded in the general fund as fund balance assigned to other purposes in the amount of \$1,940,664.72 and in the capital projects fund totaling \$4,656.90, which is classified as fund balance assigned to other purposes.

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, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:					
Local Sources:					
Local Tax Levy	10-1210	\$ 18,886,642.00	\$ -	\$ 18,886,642.00	\$ -
Rents and Royalties	10-1910	-	-	7,160.00	7,160.00
Unrestricted Miscellaneous Revenues	10-1990	300.00	-	300.00	457,460.60
Total Local Sources		18,886,942.00	-	18,886,942.00	464,620.60
State Sources:					
Categorical Transportation Aid	10-3121	189,188.00	-	189,188.00	-
Extraordinary Aid	10-3131	50,000.00	-	50,000.00	300,700.00
Categorical Special Education Aid	10-3132	1,208,304.00	-	1,208,304.00	-
Equalization Aid	10-3176	7,290,521.00	-	7,290,521.00	-
Categorical Security Aid	10-3177	634,293.00	-	634,293.00	-
Supplemental Stabilization Aid	10-3246	-	360,165.00	360,165.00	-
Other State Aids	10-3190	-	-	11,903.00	11,903.00
Nonbudgeted:					
TPAF Pension (on-behalf)		-	-	3,541,000.00	3,541,000.00
TPAF Social Security (reimbursed)		-	-	789,725.24	789,725.24
TPAF Post Retirements		-	-	830,212.00	830,212.00
TPAF Long-Term Disability Insurance (on behalf)		-	-	2,205.00	2,205.00
Total State Sources		9,372,306.00	360,165.00	9,732,471.00	5,425,745.24
Federal Sources:					
Medicaid Reimbursement	10-4200	109,139.00	-	109,139.00	27,784.94
Total Federal Sources		109,139.00	-	109,139.00	27,784.94
Total Revenues		28,368,387.00	360,165.00	28,728,552.00	5,918,150.78

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	11-110-100-101	463,795.00	16,320.00	480,115.00	480,112.51
Grades 1-5 - Salaries of Teachers	11-120-100-101	2,470,984.00	(94,870.00)	2,376,114.00	2,350,488.38
Grades 6-8 - Salaries of Teachers	11-130-100-101	1,416,697.00	10,880.00	1,427,577.00	1,427,573.62
Regular Programs - Home Instruction:					
Salaries of Teachers	11-150-100-101	10,000.00	-	10,000.00	3,969.00
Purchased Professional - Educational Services	11-150-100-320	6,000.00	1,800.00	7,800.00	4,400.00
Regular Programs - Undistributed Instruction:					
Salaries of Teachers	11-190-100-101	1,520.40	124,070.00	125,590.40	125,107.66
Other Salaries for Instruction	11-190-100-106	409,758.44	(111,800.00)	297,958.44	283,080.97
Purchased Professional - Educational Services	11-190-100-320	50,648.00	-	50,648.00	39,697.60
Other Purchased Services	11-190-100-500	92,000.00	(57,898.00)	34,102.00	24,033.40
General Supplies	11-190-100-610	337,455.88	76,748.00	414,203.88	252,797.47
Other Objects	11-190-100-800	4,500.00	-	4,500.00	4,453.31
Total Regular Programs - Instruction		5,263,358.72	(34,750.00)	5,228,608.72	4,995,713.92
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	11-204-100-101	336,392.00	76,800.00	413,192.00	412,054.50
Other Salaries for Instruction	11-204-100-106	353,605.00	8,800.00	362,405.00	360,956.18
Purchased Technical Services	11-204-100-340	1,434.00	-	1,434.00	926.07
General Supplies	11-204-100-610	6,883.00	(1,350.00)	5,533.00	5,399.43
Total Learning and/or Language Disabilities		698,314.00	84,250.00	782,564.00	779,336.18
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	11-212-100-101	63,675.00	-	63,675.00	63,675.00
Other Salaries for Instruction	11-212-100-106	91,677.00	(2,775.00)	88,902.00	88,899.84
Purchased Technical Services	11-212-100-340	179.00	-	179.00	179.00
General Supplies	11-212-100-610	1,562.00	(500.00)	1,062.00	1,043.48
Other Objects	11-212-100-800	1,500.00	-	1,500.00	897.83
Total Multiple Disabilities		158,593.00	(3,275.00)	155,318.00	154,695.15
Total		6,961,672.44	(26,275.00)	6,935,397.44	6,621,818.85

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	ORIGINAL BUDGET	JUNE 30, 2023		VARIANCE FINAL TO ACTUAL	
			BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Special Education - Instruction:						
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	1,249,340.00	(29,320.00)	1,220,020.00	1,219,289.67	730.33
Other Salaries	11-213-100-106	58,603.00	17,275.00	75,878.00	75,866.07	11.93
General Supplies	11-213-100-610	1,120.00	-	1,120.00	333.52	786.48
Total Resource Room/Resource Center		1,309,063.00	(12,045.00)	1,297,018.00	1,295,489.26	1,528.74
Special Education - Instruction:						
Preschool Disabilities - Full-Time:						
Salaries of Teachers	11-216-100-101	122,760.00	43,165.00	165,925.00	165,920.89	4.11
Other Salaries for Instruction	11-216-100-106	122,419.00	30,820.00	153,239.00	153,236.55	2.45
Purchased Technical Services	11-216-100-340	716.00	-	716.00	582.50	133.50
General Supplies	11-216-100-600	3,009.00	(500.00)	2,509.00	2,274.80	234.20
Total Preschool Disabilities - Full-Time		248,904.00	73,485.00	322,389.00	322,014.74	374.26
Total Special Education - Instruction		2,414,874.00	142,415.00	2,557,289.00	2,551,535.33	5,753.67
Basic Skills/Remedial - Instruction:						
General Supplies	11-230-100-610	482.00	-	482.00	-	482.00
Total Basic Skills/Remedial - Instruction		482.00	-	482.00	-	482.00
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	748,234.00	(4,730.00)	743,504.00	738,481.08	5,022.92
Other Purchased Services	11-240-100-500	1,000.00	-	1,000.00	-	1,000.00
General Supplies	11-240-100-610	54,076.00	-	54,076.00	40,049.82	14,026.18
Total Bilingual Education - Instruction		803,310.00	(4,730.00)	798,580.00	778,530.90	20,049.10

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
School-Sponsored Cocurricular/Extra Curricular Activities - Instruction:					
Salaries	11-401-100-100	25,395.00	-	25,395.00	19,665.00
Purchased Services	11-401-100-500	15,150.00	-	15,150.00	14,550.00
Supplies and Materials	11-401-100-600	7,000.00	-	7,000.00	7,000.00
Other Objects	11-401-100-800	30,000.00	-	30,000.00	6,325.50
Total School-Sponsored Cocurricular/Extra Curricular Activities - Instruction		77,545.00	-	77,545.00	47,540.50
School-Sponsored Athletics - Instruction:					
Salaries	11-402-100-100	45,044.00	-	45,044.00	590.00
Purchased Services	11-402-100-500	28,610.00	(570.00)	28,040.00	8,366.10
Supplies and Materials	11-402-100-600	9,900.00	570.00	10,470.00	225.93
Total School-Sponsored Athletics - Instruction		83,554.00	-	83,554.00	9,182.03
Community Service Programs/Operations:					
Salaries	11-800-330-100	5,000.00	15.00	5,015.00	1.00
Purchase Services (300-500 series)	11-800-330-500	600.00	(15.00)	585.00	585.00
Supplies and Materials	11-800-330-600	500.00	-	500.00	500.00
Total Summer School - Support Services		6,100.00	-	6,100.00	1,086.00
Undistributed Expenditures - Instruction (Tuition):					
Tuition to Other LEAs Within State - Special	11-000-100-562	122,760.00	(4,360.00)	118,400.00	108,649.85
Tuition to Private School Disabled - Within State	11-000-100-566	543,840.00	(58,594.00)	485,246.00	122,580.95
Total Undistributed Expenditures - Instruction (Tuition)		666,600.00	(62,954.00)	603,646.00	231,230.80
Undistributed Expenditures - Health Services:					
Salaries	11-000-213-100	129,889.00	1,500.00	131,389.00	6.00
Purchased Professional & Technical Services	11-000-213-300	91,020.00	(780.00)	90,240.00	14,451.75
Other Purchased Services	11-000-213-500	850.00	(50.00)	800.00	265.53
Supplies and Materials	11-000-213-600	4,400.00	50.00	4,450.00	101.34
Total Undistributed Expenditures - Health Services		226,159.00	720.00	226,879.00	14,824.62

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Speech, OT, PT and Related Services:					
Salaries	11-000-216-100	416,621.00	(13,875.00)	402,746.00	194.26
Purchased Professional - Educational Services	11-000-216-320	60,000.00	(16,400.00)	43,600.00	55.00
Travel	11-000-216-580	-	400.00	400.00	400.00
Supplies and Materials	11-000-216-600	4,570.00	-	4,570.00	137.28
Other Objects	11-000-216-800	400.00	(400.00)	-	-
Total Undistributed Expenditures -		481,591.00	(30,275.00)	451,316.00	786.54
Speech, OT, PT and Related Services				450,529.46	
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	11-000-218-104	282,106.00	57,770.00	339,876.00	565.34
Other Purchased Services	11-000-218-500	600.00	-	600.00	600.00
Supplies and Materials	11-000-218-600	5,903.00	-	5,903.00	1,198.77
Total Undistributed Expenditures - Guidance		288,609.00	57,770.00	346,379.00	2,364.11
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	11-000-219-104	373,443.00	600.00	374,043.00	0.52
Salaries of Secretaries & Clerical Assistants	11-000-219-105	60,959.00	-	60,959.00	600.20
Purchased Professional - Educational Services	11-000-219-320	16,800.00	(600.00)	16,200.00	4,830.00
Other Purchased Prof. and Tech. Services	11-000-219-390	14,996.00	(815.00)	14,181.00	3,393.48
Other Purchased Services	11-000-219-500	6,011.00	(6,011.00)	-	-
Miscellaneous Purchased Services	11-000-219-592	-	6,011.00	6,011.00	1,442.94
Supplies and Materials	11-000-219-600	3,545.00	815.00	4,360.00	297.65
Other Objects	11-000-219-800	150.00	-	150.00	150.00
Total Undistributed Expenditures - Child Study Teams		475,904.00	-	475,904.00	10,714.79

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	11-000-221-102	319,602.00	-	319,602.00	311,904.91
Other Salaries	11-000-221-110	56,207.50	-	56,207.50	52,566.41
Purchased Professional - Educational Services	11-000-221-320	3,000.00	(1,500.00)	1,500.00	-
Other Purchased Services	11-000-221-500	1,000.00	1,500.00	2,500.00	1,791.70
Supplies and Materials	11-000-221-600	9,000.00	600.00	9,600.00	5,005.29
Other Objects	11-000-221-800	18,239.00	-	18,239.00	17,829.99
					409.01
Total Undistributed Expenditures - Improvement of Instruction Services		407,048.50	600.00	407,648.50	389,098.30
Undistributed Expenditures - Educational Media Services/Library:					
Salaries of Technology Coordinators	11-000-222-177	340,738.00	-	340,738.00	332,186.67
					8,551.33
Total Undistributed Expenditures - Educational Media Services/Library		340,738.00	-	340,738.00	332,186.67
Undistributed Expenditures - Instructional Staff Training Services:					
Other Purchased Services	11-000-223-500	5,000.00	-	5,000.00	1,497.17
					3,502.83
Total Undistributed Expenditures - Instructional Staff Training Services		5,000.00	-	5,000.00	1,497.17
					3,502.83

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Support Services - General Administration:					
Salaries	11-000-230-100	431,074.00	6,150.00	437,224.00	437,222.15
Legal Services	11-000-230-331	60,000.00	45,700.00	105,700.00	98,377.66
Audit Fees	11-000-230-332	49,730.00	(5,030.00)	44,700.00	44,700.00
Architectural/Engineering Services	11-000-230-334	154,325.33	4,000.00	158,325.33	110,432.53
Other Purchased Professional Services	11-000-230-339	5,000.00	(4,050.00)	950.00	950.00
Purchased Technical Services	11-000-230-340	6,000.00	(1,120.00)	4,880.00	4,880.00
Communications/Telephone	11-000-230-530	35,729.67	(4,961.00)	30,768.67	8,285.98
BOE Other Purchased Professional Services	11-000-230-585	5,200.00	(3,000.00)	2,200.00	1,100.00
Other Purchased Services	11-000-230-590	12,203.00	-	12,203.00	10,798.85
General Supplies	11-000-230-610	8,324.42	4,950.00	13,274.42	11,848.60
Miscellaneous Expenditures	11-000-230-890	20,100.00	-	20,100.00	12,849.00
BOE Membership Dues and Fees	11-000-230-895	22,500.00	(7,000.00)	15,500.00	11,912.48
Total Undistributed Expenditures -		810,186.42	35,639.00	845,825.42	747,527.25
Support Services - General Administration					
Undistributed Expenditures -					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	11-000-240-103	381,356.00	-	381,356.00	372,447.49
Salaries of Secretaries & Clerical Assistants	11-000-240-105	179,396.00	-	179,396.00	176,200.56
Purchased Professional & Technical Services	11-000-240-300	5,400.00	3,450.00	8,850.00	8,800.00
Supplies and Materials	11-000-240-600	10,985.00	(1,450.00)	9,535.00	8,112.41
Total Undistributed Expenditures -		577,137.00	2,000.00	579,137.00	565,560.46
Support Services - School Administration					
Undistributed Expenditures - Central Services:					
Salaries	11-000-251-100	289,620.00	-	289,620.00	274,159.92
Purchased Professional Services	11-000-251-330	25,000.00	(15,000.00)	10,000.00	6,812.50
Supplies and Materials	11-000-251-600	11,000.00	-	11,000.00	6,720.16
Miscellaneous Expenditures	11-000-251-890	5,850.00	-	5,850.00	1,999.90
Total Undistributed Expenditures - Central Services		331,470.00	(15,000.00)	316,470.00	289,692.48
Total Undistributed Expenditures - General Administration		810,186.42	35,639.00	845,825.42	98,298.17

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Administrative Information Technology:					
Purchased Technical Services	11-000-252-340	314,278.20	-	314,278.20	284,840.49
Other Objects	11-000-252-800	3,750.00	-	3,750.00	1,938.38
					1,811.62
Total Undistributed Expenditures -		318,028.20	-	318,028.20	286,778.87
Administrative Information Technology					31,249.33
Undistributed Expenditures -					
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	11-000-261-420	1,647,361.82	140,000.00	1,787,361.82	441,314.46
General Supplies	11-000-261-610	87,764.09	(20,000.00)	67,764.09	34,381.06
Other Objects	11-000-261-800	8,980.00	-	8,980.00	2,775.75
		1,744,105.91	120,000.00	1,864,105.91	478,471.27
Total Undistributed Expenditures -		1,744,105.91	120,000.00	1,864,105.91	1,385,634.64
Required Maintenance for School Facilities					1,385,634.64
Undistributed Expenditures - Custodial Services:					
Salaries	11-000-262-100	718,347.30	(53,000.00)	665,347.30	628,775.01
Salaries of Non-Instructional Aides	11-000-262-107	112,642.00	(43,595.00)	69,047.00	-
Purchased Professional and Technical Services	11-000-262-300	55,500.00	13,275.01	68,775.01	63,475.00
Cleaning, Repair & Maintenance Services	11-000-262-420	18,850.00	(275.01)	18,574.99	-
Other Purchased Property Services	11-000-262-490	50,466.00	-	50,466.00	36,846.36
Insurance	11-000-262-520	250,285.00	(50,500.00)	199,785.00	197,072.39
General Supplies	11-000-262-610	74,127.76	-	74,127.76	57,209.64
Energy (Natural Gas)	11-000-262-621	50,500.00	21,990.00	72,490.00	67,936.34
Energy (Electricity)	11-000-262-622	263,500.00	-	263,500.00	238,772.67
		1,594,218.06	(112,105.00)	1,482,113.06	1,290,087.41
Total Undistributed Expenditures - Custodial Services		1,594,218.06	(112,105.00)	1,482,113.06	192,025.65

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Care and Upkeep of Grounds:					
Cleaning, Repair & Maintenance Services	11-000-263-420	183,881.46	(55,490.00)	128,391.46	101,322.26
Other Objects	11-000-263-800	5,500.00	-	5,500.00	-
Total Undistributed Expenditures - Care and Upkeep of Grounds		189,381.46	(55,490.00)	133,891.46	101,322.26
Security:					
Purchased Professional and Technical Services	11-000-266-300	3,600.00	14,000.00	17,600.00	8,994.16
Cleaning, Repair, and Maintenance Services	11-000-266-420	70,325.00	-	70,325.00	22,782.94
General Supplies	11-000-266-610	25,400.00	-	25,400.00	15,718.49
Total Security		99,325.00	14,000.00	113,325.00	47,495.59
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	11-000-270-107	51,840.00	-	51,840.00	25,551.00
Salaries of Pupil Transportation (Between Home & School) - Regular	11-000-270-160	63,261.00	(37,009.00)	26,252.00	26,205.33
Sal for Pupil Trans (Bet Home & Sch.)- Sp Ed	11-000-270-161	-	37,009.00	37,009.00	36,857.01
Other Purchased Prof. and Technical Serv.	11-000-270-390	4,350.00	-	4,350.00	4,350.00
Contract Services - Aid in Lieu Payments - Non Public Schools	11-000-270-503	20,000.00	1,462.00	21,462.00	19,008.70
Contract Services (Between Home & School) - Vendors	11-000-270-511	800,673.00	(57,462.00)	743,211.00	616,088.39
Contract Services (Other Than Between Home & School) - Vendors	11-000-270-512	11,400.00	-	11,400.00	5,255.00
Contract Services (Between Home & School) - Joint Agreement	11-000-270-513	66,422.66	95,800.00	162,222.66	160,483.23
Contract Services (Special Education) - Vendors	11-000-270-514	265,658.00	(27,140.00)	238,518.00	238,518.00
Contract Serv.(Sp Ed Sids)-Joint Agrmnts	11-000-270-515	-	94,500.00	94,500.00	94,500.00
Contract Services (Special Education) - ESCs & CTSA	11-000-270-518	151,988.93	(102,800.00)	49,188.93	22,196.03
Total Undistributed Expenditures - Student Transportation Services		1,435,593.59	4,360.00	1,439,953.59	1,249,012.69
					190,940.90

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Unallocated Benefits:					
Social Security Contributions	11-000-291-220	503,765.42	-	503,765.42	172,156.82
Other Retirement Contributions - PERS	11-000-291-241	544,630.00	(1,405.00)	543,225.00	45,549.00
Pension Contributions	11-000-291-249	26,000.00	-	26,000.00	23,369.33
Unemployment Compensation	11-000-291-250	65,000.00	-	65,000.00	3,272.30
Workmen's Compensation	11-000-291-260	145,000.00	(19,780.00)	125,220.00	12,933.23
Health Benefits	11-000-291-270	5,564,662.00	(457,705.00)	5,106,957.00	936,506.89
Tuition Reimbursement	11-000-291-280	-	57,500.00	57,500.00	43,703.15
Other Employee Benefits	11-000-291-290	222,000.00	-	222,000.00	77,294.81
Total Unallocated Benefits		7,071,057.42	(421,390.00)	6,649,667.42	1,314,785.53
Nonbudgeted:					
TPAF Pension (on-behalf)		-	-	-	(3,541,000.00)
TPAF Social Security (reimbursed)		-	-	-	(789,725.24)
TPAF Post Retirements		-	-	-	(830,212.00)
TPAF Long-Term Disability Insurance (on behalf)		-	-	-	(2,205.00)
Total Undistributed Expenditures		17,062,152.56	(462,125.00)	16,600,027.56	(1,520,930.13)
Total Expenditures - Current Expense		25,711,376.28	(359,190.00)	25,352,186.28	(1,203,942.03)
Capital Outlay:					
Equipment:					
Grades 1-5	12-120-100-730	31,786.00	(31,786.00)	-	-
Grades 6-8	12-130-100-730	42,446.00	(42,446.00)	-	-
Undistributed Expenditures:					
Undistributed Expenditures - Instruction	12-000-100-730	246,474.40	252,237.00	498,711.40	199,652.45
Total Equipment		320,706.40	178,005.00	498,711.40	199,652.45
Facilities Acquisition & Construction Services:					
Architectural/Engineering Services	12-000-400-334	-	171,700.00	171,700.00	171,700.00
Other Purchased Prof. and Tech. Services	12-000-400-390	-	10,000.00	10,000.00	8,276.25
Assessment for Debt Service on SDA Funding	12-000-400-896	54,000.00	-	54,000.00	-
Total Facilities Acquisition & Construction Services		54,000.00	181,700.00	235,700.00	179,976.25
Total Capital Outlay		374,706.40	359,705.00	734,411.40	379,628.70

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Schools:					
Summer School - Instruction	13-422-100-101	125,414.00	(8,705.10)	116,708.90	1,266.31
Salaries of Teachers	13-422-100-106	72,450.00	(800.00)	71,650.00	23,660.25
Other Salaries for Instruction	13-422-100-300	12,240.00	-	12,240.00	6,357.50
Purchase Professional and Technical Services	13-422-100-610	11,418.71	(2,847.50)	8,571.21	1,822.35
General Supplies				6,748.86	
Total Summer School - Instruction		221,522.71	(12,352.60)	209,170.11	33,106.41
Summer School - Support Services	13-422-200-100	41,317.00	(8,757.00)	32,560.00	11,810.29
Salaries	13-422-200-500	55,044.00	21,794.60	76,838.60	2,250.00
Other Purchase Services				74,588.60	
Total Summer School - Support Services		96,361.00	13,037.60	109,398.60	14,060.29
Total Special Schools		317,883.71	685.00	318,568.71	47,166.70
Transfer to Charter Schools		2,750,488.00	(1,200.00)	2,749,288.00	4,487.00
Total Expenditures		29,154,454.39	-	29,154,454.39	(772,659.63)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses)		(786,067.39)	360,165.00	(425,902.39)	(5,145,491.15)
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)	-

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses) Fund Balances, July 1	(1,061,067.39) 13,892,732.69	360,165.00 -	(700,902.39) 13,892,732.69	4,444,588.76 13,892,732.69
Fund Balances, June 30	\$ 12,831,665.30	\$ 360,165.00	\$ 13,191,830.30	\$ 18,337,321.45
				\$ (5,145,491.15)

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 12,637,714.05
Maintenance Reserve	989,257.15
Excess Surplus	1,214,945.09
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	791,358.00
Year-End Encumbrances	1,940,664.72
Unassigned Fund Balance	763,382.44
Subtotal	18,337,321.45
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	(926,830.80)
Fund Balance per Governmental Funds (GAAP)	\$ 17,410,490.65

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	JUNE 30, 2023				VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources	\$ -	\$ 110,893.62	\$ 110,893.62	\$ 71,884.36	\$ 39,009.26
State Sources	4,674,872.00	82,032.56	4,756,904.56	3,378,992.74	1,377,911.82
Federal Sources	3,260,452.00	4,016,298.15	7,276,750.15	3,949,627.08	3,327,123.07
Total Revenues	7,935,324.00	4,209,224.33	12,144,548.33	7,400,504.18	4,744,044.15
Expenditures:					
Instruction:					
Salaries of Teachers	1,616,181.00	54,139.12	1,670,320.12	1,469,915.08	200,405.04
Other Salaries for Instruction	424,193.00	90,183.00	514,376.00	474,165.04	40,210.96
Purchased Professional - Educational Services	113,451.00	5,403.75	118,854.75	116,535.75	2,319.00
Other Purchased Services (400-500 Series)	277,140.00	3,585.50	280,725.50	209,854.50	70,871.00
General Supplies	144,378.00	58,460.00	202,838.00	199,619.26	3,218.74
Tuition	300,633.00	272,472.41	573,105.41	399,823.51	173,281.90
Textbooks	521,430.00	(67,480.67)	453,949.33	204,525.69	249,423.64
Other Objects	2,500.00	4,688.00	7,188.00	4,094.28	3,093.72
Total Instruction	3,399,906.00	421,451.11	3,821,357.11	3,078,533.11	742,824.00
Support Services:					
Salaries of Other Professional Staff	244,181.00	653,776.01	897,957.01	178,253.56	719,703.45
Salaries of Supervisor of Instruction	120,422.00	-	120,422.00	120,420.96	1.04
Salaries of Program Directors	-	50,241.00	50,241.00	-	50,241.00
Salaries of Teachers	128,402.00	-	128,402.00	125,507.80	2,894.20
Salaries of Secretaries and Clerical Assistants	74,578.00	5,164.00	79,742.00	78,272.70	1,469.30
Other Salaries	144,016.00	185,664.80	329,680.80	275,682.10	53,998.70
Salaries of Community Parent Involvement	65,513.00	-	65,513.00	65,511.24	1.76
Salaries of Master Teachers	157,900.00	-	157,900.00	93,167.66	64,732.34
Personal Services - Employee Benefits	733,109.00	653,261.86	1,386,370.86	477,269.00	909,101.86
Purchased Educational Services - Head Start/Contracted Pre-K	1,062,174.00	(381,924.00)	680,250.00	680,250.00	-
Purchased Educational Services	410,973.00	550,471.50	961,444.50	419,603.78	541,840.72
Other Purchased Services (400-500 Series)	6,000.00	7,000.00	13,000.00	8,800.00	4,200.00
Cleaning, Repair, & Maintenance Svcs.	8,104.00	27,691.00	35,795.00	10,525.50	25,269.50
Rentals	164,210.00	53,387.05	217,597.05	133,999.99	83,597.06
Other Contract Services	82,765.00	184,193.88	266,958.88	48,315.78	218,643.10
Contract Services- Trans (Bet. Home & School)	221,263.00	-	221,263.00	83,242.36	138,020.64
Contract Services- Trans (Field Work)	2,500.00	3,000.00	5,500.00	5,444.44	55.56
Travel	1,000.00	1,000.00	2,000.00	1,887.10	112.90
Misc. Purchased Services	-	15,457.51	15,457.51	14,492.00	965.51
Supplies and Materials	82,063.00	461,436.40	543,499.40	114,550.44	428,948.96
Student Activities	-	61,503.00	61,503.00	61,503.00	-
Other Objects	1,500.00	133,814.00	135,314.00	39,526.44	95,787.56
Total Support Services	3,710,673.00	2,665,138.01	6,375,811.01	3,036,225.85	3,339,585.16
Facilities Acquisition & Construction Services:					
Buildings	-	1,541,026.21	1,541,026.21	1,539,527.00	1,499.21
Instructional Equipment	272,450.00	132,405.00	404,855.00	14,578.18	390,276.82
Noninstructional Equipment	552,295.00	(550,796.00)	1,499.00	1,499.00	-
Total Facilities Acquisition & Construction Services	824,745.00	1,122,635.21	1,947,380.21	1,555,604.18	391,776.03
Total Expenditures	7,935,324.00	4,209,224.33	12,144,548.33	7,670,363.14	4,474,185.19
Total Outflows	7,935,324.00	4,209,224.33	12,144,548.33	7,670,363.14	4,474,185.19
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	(269,858.96)	269,858.96
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)	\$ 275,000.00	\$ -	\$ 275,000.00	\$ 5,141.04	\$ 269,859.00
Fund Balance, July 1				17,678.47	
Fund Balance, June 30				\$ 22,819.51	
Recapitulation:					
Restricted:					
Student Activities				\$ 22,819.51	
Total Fund Balance				\$ 22,819.51	

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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, 2023**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 34,646,702.78	\$ 7,400,504.18
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	-	(678,544.01)
Prior Year	-	2,125,345.71
The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		
Current Year	(926,830.80)	-
Prior Year	762,495.60	-
<hr/>		
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 34,482,367.58</u>	<u>\$ 8,847,305.88</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 29,927,114.02	\$ 7,670,363.14
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.	-	1,446,801.70
<hr/>		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 29,927,114.02</u>	<u>\$ 9,117,164.84</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 TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.0391437908%	0.0407940723%	0.0426843262%	0.0444179691%	0.0430696166%	0.0430696166%	0.0422695900%	0.0410900235%	0.0367192556%	0.0335117246%
School District's proportionate share of the net pension liability	\$ 5,907,337.00	\$ 4,832,669.00	\$ 6,960,697.00	\$ 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	\$ 2,897,360.00	\$ 2,698,301.00	\$ 3,008,317.00	\$ 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	203.89%	179.10%	231.38%	236.04%	264.28%	324.35%	422.42%	275.78%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	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).

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 493,622.00	\$ 477,746.00	\$ 466,945.00	\$ 432,058.00	\$ 446,073.00	\$ 398,994.00	\$ 375,517.00	\$ 353,264.00	\$ 302,708.00	\$ 252,204.00
Contributions in relation to the contractually required contribution	(493,622.00)	(477,746.00)	(466,945.00)	(432,058.00)	(446,073.00)	(398,994.00)	(375,517.00)	(353,264.00)	(302,708.00)	(252,204.00)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 3,007,501.00	\$ 2,897,360.00	\$ 2,698,301.00	\$ 3,008,317.00	\$ 3,390,646.91	\$ 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	16.41%	16.49%	17.31%	14.36%	13.16%	11.94%	12.15%	11.92%	11.35%	9.53%

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 TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	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	\$ 41,785,963.00	\$ 37,385,493.00	\$ 47,569,808.00	\$ 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	\$ 41,785,963.00	\$ 37,385,493.00	\$ 47,569,808.00	\$ 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 proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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**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 SIX FISCAL YEARS***

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 2,877,876.00	\$ 3,323,310.00	\$ 1,773,581.00	\$ 1,677,539.00	\$ 1,744,964.00	\$ 2,105,818.00
Interest Cost	1,121,462.00	1,256,200.00	1,191,811.00	1,404,948.00	1,495,120.00	1,287,114.00
Changes in Benefit Terms	-	(51,543.00)	-	-	-	-
Difference between Actual and Expected	2,320,331.00	(9,233,916.00)	9,385,892.00	(4,974,028.00)	(3,663,315.00)	-
Changes of Assumptions	(11,352,070.00)	47,775.00	9,871,393.00	488,013.00	(4,028,917.00)	(5,527,096.00)
Contributions: Member	35,636.00	32,115.00	28,516.00	29,783.00	32,446.00	34,514.00
Gross Benefit Payments	(1,110,842.00)	(989,534.00)	(940,805.00)	(1,004,725.00)	(938,798.00)	(937,310.00)
Net Change in Total OPEB Liability	(6,107,607.00)	(5,615,593.00)	21,310,388.00	(2,378,470.00)	(5,358,500.00)	(3,036,960.00)
Total OPEB Liability (Beginning)	54,040,777.00	54,040,777.00	32,730,389.00	35,108,859.00	40,467,359.00	43,504,319.00
Total OPEB Liability (Ending)	\$ 47,933,170.00	\$ 48,425,184.00	\$ 54,040,777.00	\$ 32,730,389.00	\$ 35,108,859.00	\$ 40,467,359.00
State's Covered Employee Payroll***	\$ 13,771,324.00	\$ 12,795,176.00	\$ 12,750,294.00	\$ 12,415,172.00	\$ 12,242,231.00	\$ 11,557,172.00
Net OPEB Liability as a Percentage of Payroll	348%	378%	424%	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, 2023**

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

The June 30, 2022 measurement date includes one change in plan provisions as Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and regular part of PERS into the WCJ Part of PERS.

Changes in Assumptions

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

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

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

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

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

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

None.

Changes in Assumptions

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	6.85%	2016	5.55%
2021	7.00%	2018	6.51%	2015	5.79%
2020	7.00%	2017	6.14%	2014	6.32%

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

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

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

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms

None.

Changes in Assumptions

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

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

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

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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, 2023**

	Title I	Title IIA	Title III	Title III- Immigrant	CARES Emergency Relief Grant	I.D.E.A. - Basic	I.D.E.A. - Preschool
Revenues:							
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-	-
Federal Sources	438,197.07	26,620.49	63,403.06	5,721.59	15,984.63	474,801.10	16,000.00
Total Revenues	\$ 438,197.07	\$ 26,620.49	\$ 63,403.06	\$ 5,721.59	\$ 15,984.63	\$ 474,801.10	\$ 16,000.00
Expenditures:							
Instruction:							
Salaries of Teachers	\$ 311,549.18	\$ -	\$ 34,337.60	\$ -	\$ -	\$ -	\$ -
Other Salaries for Instruction	68,268.00	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	180.00	-	16,000.00
Other Purchased Services (400-500 Series)	-	-	-	-	-	-	-
General Supplies	8,984.54	-	-	5,721.59	1,074.34	-	-
Tuition	-	-	-	-	-	395,571.10	-
Textbooks	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-
Total Instruction	388,801.72	-	34,337.60	5,721.59	1,254.34	395,571.10	16,000.00
Support Services:							
Salaries of Other Professional Staff	13,464.25	19,170.25	-	-	2,100.00	-	-
Salaries of Supervisor of Instruction	-	-	-	-	-	-	-
Salaries of Teachers	-	-	-	-	-	-	-
Salaries of Secretaries and Clerical Assistants	18,280.86	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-	-
Salaries of Community Parent Involvement	-	-	-	-	-	-	-
Salaries of Master Teachers	-	-	-	-	-	-	-
Personnel Services - Employee Benefits	-	-	-	-	-	-	-
Purchased Educational Services - Head Start	-	-	-	-	-	-	-
Purchased Educational Services	-	-	21,000.00	-	10,319.71	79,230.00	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	-	-
Cleaning, Repair, & Maintenance Svcs.	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other Contract Services	-	4,934.71	5,778.97	-	2,310.58	-	-
Contract Services- Trans (Bet. Home & School)	-	-	-	-	-	-	-
Contract Services- Trans (Field Work)	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Misc. Purchased Services	-	-	-	-	-	-	-
Supplies and Materials	17,650.24	2,515.53	2,286.49	-	-	-	-
Student Activities	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-
Total Support Services	49,395.35	26,620.49	29,065.46	-	14,730.29	79,230.00	-
Facilities Acquisition & Construction Services:							
Buildings	-	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-	-
Total Expenditures	438,197.07	26,620.49	63,403.06	5,721.59	15,984.63	474,801.10	16,000.00
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)	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	CRRSA - ESSER II	ESSER II - Learning Acceleration	ESSER II - Mental Health	ARP I.D.E.A. - Basic	ARP - ESSER III	ARP - Learning Acceleration	ARP - HCY
Revenues:							
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-	-
Federal Sources	481,608.28	133,006.15	34,306.25	6,003.61	2,175,749.03	74,091.00	4,134.82
Total Revenues	\$ 481,608.28	\$ 133,006.15	\$ 34,306.25	\$ 6,003.61	\$ 2,175,749.03	\$ 74,091.00	\$ 4,134.82
Expenditures:							
Instruction:							
Salaries of Teachers	\$ 215,272.12	\$ -	\$ -	\$ -	\$ 343,623.38	\$ -	\$ -
Other Salaries for Instruction	28,949.00	-	-	-	-	-	-
Purchased Professional - Educational Services	83,548.00	16,807.75	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	-	-
General Supplies	31,085.36	21,877.76	-	-	92,432.49	-	-
Tuition	-	-	-	-	3,216.00	-	-
Textbooks	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	2,134.82
Total Instruction	358,854.48	38,685.51	-	-	439,271.87	-	2,134.82
Support Services:							
Salaries of Other Professional Staff	55,820.81	71,875.00	6,832.25	-	-	8,991.00	-
Salaries of Supervisor of Instruction	-	-	-	-	-	-	-
Salaries of Teachers	-	-	-	-	-	-	-
Salaries of Secretaries and Clerical Assistants	-	-	-	-	-	-	-
Other Salaries	8,880.40	-	-	-	97,684.40	65,100.00	-
Salaries of Community Parent Involvement	-	-	-	-	-	-	-
Salaries of Master Teachers	-	-	-	-	-	-	-
Personnel Services - Employee Benefits	14,048.00	5,498.00	924.00	-	-	-	-
Purchased Educational Services - Head Start	-	-	-	-	-	-	-
Purchased Educational Services	25,247.89	13,000.00	26,550.00	6,003.61	44,689.72	-	-
Cleaning, Repair, & Maintenance Svcs.	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other Contract Services	16,515.30	-	-	-	16,776.22	-	2,000.00
Contract Services- Trans (Bet. Home & School)	-	-	-	-	-	-	-
Contract Services- Trans (Field Work)	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Misc. Purchased Services	-	-	-	-	-	-	-
Supplies and Materials	742.40	3,947.64	-	-	3,395.48	-	-
Student Activities	-	-	-	-	-	-	-
Other Objects	-	-	-	-	34,404.34	-	-
Total Support Services	121,254.80	94,320.64	34,306.25	6,003.61	196,950.16	74,091.00	2,000.00
Facilities Acquisition & Construction Services:							
Buildings	-	-	-	-	1,539,527.00	-	-
Instructional Equipment	-	-	-	-	-	-	-
Noninstructional Equipment	1,499.00	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	1,499.00	-	-	-	1,539,527.00	-	-
Total Expenditures	481,608.28	133,006.15	34,306.25	6,003.61	2,175,749.03	74,091.00	\$ 4,134.82
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)	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023

	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	70,973.36	74,834.61	22,900.08	38,938.85	14,578.18	106,791.00
Federal Sources	-	-	-	-	-	-
Total Revenues	\$ 70,973.36	\$ 74,834.61	\$ 22,900.08	\$ 38,938.85	\$ 14,578.18	\$ 106,791.00
Expenditures:						
Instruction:						
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Salaries for Instruction	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-
Tuition	-	-	-	-	-	-
Textbooks	-	74,834.61	22,900.08	-	-	106,791.00
Other Objects	-	-	-	-	-	-
Total Instruction	-	74,834.61	22,900.08	-	-	106,791.00
Support Services:						
Salaries of Other Professional Staff	-	-	-	-	-	-
Salaries of Supervisor of Instruction	-	-	-	-	-	-
Salaries of Teachers	-	-	-	-	-	-
Salaries of Secretaries and Clerical Assistants	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-
Salaries of Community Parent Involvement	-	-	-	-	-	-
Salaries of Master Teachers	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-
Purchased Educational Services - Head Start	-	-	-	-	-	-
Purchased Educational Services	-	-	-	38,938.85	-	-
Cleaning, Repair, & Maintenance Svcs.	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other Contract Services	-	-	-	-	-	-
Contract Services- Trans (Bet. Home & School)	-	-	-	-	-	-
Contract Services- Trans (Field Work)	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Misc. Purchased Services	-	-	-	-	-	-
Supplies and Materials	70,973.36	-	-	-	-	-
Student Activities	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Total Support Services	70,973.36	-	-	38,938.85	-	-
Facilities Acquisition & Construction Services:						
Buildings	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	14,578.18	-
Noninstructional Equipment	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	14,578.18	-
Total Expenditures	70,973.36	74,834.61	22,900.08	38,938.85	14,578.18	106,791.00
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)	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023

	Preschool Education			Totals
	Aid	Local Programs	Student Activities	
Revenues:				
Local Sources	\$ -	\$ 5,240.32	\$ 66,644.04	\$ 71,884.36
State Sources	3,049,976.66	-	-	3,378,992.74
Federal Sources	-	-	-	3,949,627.08
Total Revenues	\$ 3,049,976.66	\$ 5,240.32	\$ 66,644.04	\$ 7,400,504.18
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 565,132.80	\$ -	\$ -	1,469,915.08
Other Salaries for Instruction	376,948.04	-	-	474,165.04
Purchased Professional - Educational Services	-	-	-	116,535.75
Other Purchased Services (400-500 Series)	207,449.00	2,405.50	-	209,854.50
General Supplies	36,644.77	1,798.41	-	199,619.26
Tuition	-	1,036.41	-	399,823.51
Textbooks	-	-	-	204,525.69
Other Objects	1,959.46	-	-	4,094.28
Total Instruction	1,188,134.07	5,240.32	-	3,078,533.11
Support Services:				
Salaries of Other Professional Staff	-	-	-	178,253.56
Salaries of Supervisor of Instruction	120,420.96	-	-	120,420.96
Salaries of Teachers	125,507.80	-	-	125,507.80
Salaries of Secretaries and Clerical Assistants	59,991.84	-	-	78,272.70
Other Salaries	104,017.30	-	-	275,682.10
Salaries of Community Parent Involvement	65,511.24	-	-	65,511.24
Salaries of Master Teachers	93,167.66	-	-	93,167.66
Personal Services - Employee Benefits	456,799.00	-	-	477,269.00
Purchased Educational Services - Head Start/Contracted Pre-K	680,250.00	-	-	680,250.00
Purchased Educational Services	154,624.00	-	-	419,603.78
Other Purchased Services (400-500 Series)	8,800.00	-	-	8,800.00
Cleaning, Repair, & Maintenance Svcs.	10,525.50	-	-	10,525.50
Rentals	133,999.99	-	-	133,999.99
Other Contract Services	-	-	-	48,315.78
Contract Services- Trans (Bet. Home & School)	83,242.36	-	-	83,242.36
Contract Services- Trans (Field Work)	5,444.44	-	-	5,444.44
Travel	1,887.10	-	-	1,887.10
Misc. Purchased Services	14,492.00	-	-	14,492.00
Supplies and Materials	13,039.30	-	-	114,550.44
Student Activities	-	-	61,503.00	61,503.00
Other Objects	5,122.10	-	-	39,526.44
Total Support Services	2,136,842.59	-	61,503.00	3,036,225.85
Facilities Acquisition & Construction Services:				
Buildings	-	-	-	1,539,527.00
Instructional Equipment	-	-	-	14,578.18
Noninstructional Equipment	-	-	-	1,499.00
Total Facilities Acquisition & Construction Services	-	-	-	1,555,604.18
Total Expenditures	3,324,976.66	5,240.32	61,503.00	7,670,363.14
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	3,324,976.66	5,240.32	61,503.00	7,670,363.14
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)	-	-	5,141.04	5,141.04
Fund Balance, July 1	-	-	17,678.47	17,678.47
Fund Balance, June 30	\$ -	\$ -	\$ 22,819.51	\$ 22,819.51

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

<u>DISTRICT-WIDE TOTALS</u>	2023	2023	Variance
	<u>Budgeted</u>	<u>Actual</u>	
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 586,972.00	\$ 565,132.80	\$ 21,839.20
Other Salaries for Instruction	387,159.00	376,948.04	10,210.96
Other Purchased Services	277,140.00	207,449.00	69,691.00
General Supplies	37,500.00	36,644.77	855.23
Other Objects	5,000.00	1,959.46	3,040.54
Total Instruction	<u>1,293,771.00</u>	<u>1,188,134.07</u>	<u>105,636.93</u>
Support Services:			
Salaries of Supervisors of Instruction	120,422.00	120,420.96	1.04
Salaries of Program Directors	50,241.00	-	50,241.00
Salaries of Teachers	128,402.00	125,507.80	2,894.20
Salaries of Secr. And Clerical Assistants	59,992.00	59,991.84	0.16
Other Salaries	158,016.00	104,017.30	53,998.70
Salaries of Community Parent Involvement Spec.	65,513.00	65,511.24	1.76
Salaries of Masters Teachers	157,900.00	93,167.66	64,732.34
Personal Services - Employee Benefits	562,799.00	456,799.00	106,000.00
Purchased Educational Services - Head Start/Contracted Pre-K	680,250.00	680,250.00	-
Purchased Educational Services	238,520.00	154,624.00	83,896.00
Other Purchased Professional Services	10,000.00	8,800.00	1,200.00
Cleaning, Repair, & Maintenance Services	20,000.00	10,525.50	9,474.50
Rentals	217,597.05	133,999.99	83,597.06
Contracted Transportation Serv. (Bet. Home & Sch)	221,263.00	83,242.36	138,020.64
Contracted Transportation Serv. (Field Trips)	5,500.00	5,444.44	55.56
Travel	2,000.00	1,887.10	112.90
Misc. Purchased Services	15,457.51	14,492.00	965.51
Supplies and Materials	19,255.00	13,039.30	6,215.70
Other Objects	7,000.00	5,122.10	1,877.90
Total Support Services	<u>2,740,127.56</u>	<u>2,136,842.59</u>	<u>603,284.97</u>
Facilities Acquisition and Construction Services:			
Instructional Equipment	390,239.00	-	390,239.00
Total Facilities Acquisition and Construction Services	<u>390,239.00</u>	<u>-</u>	<u>390,239.00</u>
Total Expenditures	<u>\$ 4,424,137.56</u>	<u>\$ 3,324,976.66</u>	<u>\$ 1,099,160.90</u>

SUMMARY OF LOCATION TOTALS

Total revised 2022-23 Preschool Education Aid Allocation	\$ 3,412,862.00
Add: Actual ECPA/PEA Carryover (June 30, 2023)	932,885.83
Add: Prior Year Cancelled Encumbrances	4,344.56
Add: Budgeted Transfer from the General Fund 2022-23	<u>275,000.00</u>
Total Preschool Education Aid Funds Available for 2022-23 Budget	4,625,092.39
Less:	
2022-23 Budgeted Preschool Education Aid (Including prior-year budget carryover)	<u>4,424,137.56</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2023	200,954.83
Add:	
June 30, 2023 Unexpended Preschool Education Aid	<u>1,099,160.90</u>
2022-23 Carryover - Preschool Education Aid Programs	<u>\$ 1,300,115.73</u>
2022-23 Preschool Education Aid Carryover Budgeted for Preschool Programs 2022-23	<u>\$ 932,885.00</u>

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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, 2023

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Original Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2023</u>
			<u>Prior Years</u>	<u>Current Year</u>	
2019 Bond Referendum	11/5/2019	\$ 6,750,000.00	\$ 4,575,792.27	\$ 9,211.25	\$ 2,164,996.48
Total		\$ 6,750,000.00	\$ 4,575,792.27	\$ 9,211.25	\$ 2,164,996.48

**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, 2023**

Revenues and Other Financing Sources:		
Bond Proceeds	\$	-
Total Revenues and Other Financing Sources		-
Expenditures and Other Financing Uses:		
Other Purchased Professional and Technical Services		9,211.25
Total Expenditures and Other Financing Uses		9,211.25
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses		(9,211.25)
Fund Balance, July 1		2,174,207.73
Fund Balance, June 30	\$	2,164,996.48

**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, 2023**

	<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	\$ -	\$ 6,750,000.00	\$ 6,750,000.00
Total Revenues and Other Financing Sources	6,750,000.00	-	6,750,000.00	6,750,000.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	606,276.25	9,211.25	615,487.50	615,487.50
Construction Services	3,969,516.02	-	3,969,516.02	6,134,512.50
Total Expenditures and Other Financing Uses	4,575,792.27	9,211.25	4,585,003.52	6,750,000.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 2,174,207.73	\$ (9,211.25)	\$ 2,164,996.48	\$ -

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
Revised Authorized Cost	6,750,000.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	67.93%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

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I. Long-Term Debt

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EXHIBIT I-1

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS PAYABLE
 YEAR ENDED JUNE 30, 2023

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JUNE 30, 2022	RETIRED	BALANCE JUNE 30, 2023
School Bonds, Series 2020	7/28/2020	\$ 6,750,000.00	7/15/2023	\$ 385,000.00	1.000%	\$ 6,450,000.00	\$ 375,000.00	\$ 6,075,000.00
			7/15/2024	400,000.00	1.000%			
			7/15/2025	400,000.00	1.000%			
			7/15/2026	425,000.00	1.250%			
			7/15/2027	435,000.00	1.250%			
			7/15/2028	450,000.00	1.500%			
			7/15/2029	475,000.00	1.500%			
			7/15/2030	490,000.00	1.500%			
			7/15/2031	500,000.00	1.750%			
			7/15/2032	515,000.00	2.000%			
			7/15/2033	525,000.00	2.000%			
			7/15/2034	525,000.00	2.000%			
			7/15/2035	550,000.00	2.000%			
Total						\$ 6,450,000.00	\$ 375,000.00	\$ 6,075,000.00

EXHIBIT I-2

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF OBLIGATIONS UNDER LEASES
 YEAR ENDED JUNE 30, 2023

PURPOSE	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL PRINCIPAL	INTEREST RATE	AMOUNT OUTSTANDING		
					JUNE 30, 2022	JUNE 30, 2023	
Classroom Rental	9/9/2021	7 Years	\$ 443,077.37	3.000%	\$ 398,408.04	\$ 46,209.41	\$ 352,198.63
Office Space Rental	7/1/2021	7 Years	281,924.31	2.500%	254,119.57	28,625.68	225,493.89
Total					\$ 652,527.61	\$ 74,835.09	\$ 577,692.52

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 311,354.00	\$ 311,354.00	\$ 311,354.00	\$ -
State Sources:				
Debt Service Aid Type II	160,396.00	160,396.00	160,396.00	-
Total Revenues	471,750.00	471,750.00	471,750.00	-
Expenditures:				
Regular Debt Service:				
Interest	96,750.00	96,750.00	96,750.00	-
Redemption of Principal	375,000.00	375,000.00	375,000.00	-
Total Regular Debt Service	471,750.00	471,750.00	471,750.00	-
Total Expenditures	471,750.00	471,750.00	471,750.00	-
Fund Balance, July 1,	1.27	1.27	1.27	-
Fund Balance, June 30,	\$ 1.27	\$ 1.27	\$ 1.27	\$ -

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STATISTICAL SECTION (Unaudited)

Third Section

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Financial Trends Information

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30,										
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 15,679,173.80	\$ 11,600,213.15	\$ 14,842,361.20	\$ 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
Restricted	17,025,076.66	10,021,036.59	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
Unrestricted (Deficit)	(6,900,509.60)	(7,082,129.28)	(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)
Total Governmental Activities	\$ 25,803,740.86	\$ 14,539,120.46	\$ 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
Business-Type Activities:										
Net Investment in Capital Assets	\$ 332,898.59	\$ 154,689.52	\$ 173,055.16	\$ 198,628.13	\$ 149,311.29	\$ 92,596.64	\$ 65,058.29	\$ 75,599.73	\$ 85,632.60	\$ 98,970.93
Unrestricted (Deficit)	238,392.97	332,132.60	300,373.35	311,863.93	168,634.47	300,438.34	245,952.42	99,401.78	122,952.24	178,769.70
Total Business-Type Activities	\$ 571,291.56	\$ 486,822.12	\$ 473,428.51	\$ 510,492.06	\$ 317,945.76	\$ 393,034.98	\$ 311,010.71	\$ 175,001.51	\$ 208,584.84	\$ 277,740.63
District-Wide:										
Net Investment in Capital Assets	\$ 16,012,072.39	\$ 11,754,902.67	\$ 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
Restricted	17,025,076.66	10,021,036.59	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
Unrestricted (Deficit)	(6,662,116.63)	(6,749,996.68)	(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
Total District Net Position	\$ 26,375,032.42	\$ 15,025,942.58	\$ 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

Source: ACFR Schedule A-1

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 12,006,563.68	\$ 13,613,654.20	\$ 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
Special Education	3,777,417.81	3,833,183.33	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
Other Special Education	-	-	-	-	1,292,435.30	1,204,673.29	842,937.24	860,302.28	585,767.68	713,008.54
Other Instruction	1,314,522.26	1,522,896.14	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
Support Services:										
Tuition	372,415.20	235,763.69	573,548.14	640,224.93	234,636.32	690,059.78	693,169.80	624,824.22	459,556.13	506,784.88
Student & Instruction Related Services	8,771,328.16	7,262,981.11	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
General Administration	982,632.77	800,302.92	750,508.32	752,440.09	457,792.90	427,438.14	375,646.31	368,313.07	399,112.39	421,858.49
Central Services	380,804.17	402,018.63	401,708.77	388,535.19	239,319.15	246,353.08	223,911.36	237,581.69	178,755.54	263,808.03
Administration Information Technology Services	376,973.97	378,366.51	256,272.15	369,847.06	132,984.48	230,469.32	114,387.05	153,070.36	100,025.14	94,173.93
School Administrative Services	743,435.43	745,102.55	723,981.71	767,509.71	479,043.11	433,106.02	415,114.65	464,140.33	434,101.56	106,576.95
Plant Operations & Maintenance	2,425,670.52	2,732,187.96	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
Pupil Transportation	1,641,840.89	1,588,107.09	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
Unallocated Benefits	-	-	-	-	6,948,304.74	7,464,213.94	6,062,332.36	4,129,098.79	4,008,922.86	-
Special Schools	356,760.92	145,679.82	301,694.18	266,093.98	144,672.67	150,247.35	148,737.93	119,894.90	115,615.23	65,199.68
Charter Schools	2,744,801.00	2,196,460.00	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
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
Unallocated Adjustment to Capital Assets	166,347.58	141,338.07	55,557.69	62,073.43	-	-	30,372.50	493,314.30	479,289.68	5,017.72
Unallocated Depreciation	-	-	-	-	465,240.89	486,831.25	487,218.52	-	-	-
Total Governmental Activities	36,061,514.38	35,598,042.02	32,777,807.39	66,496,235.99	60,893,814.28	54,757,436.96	53,054,175.85	48,937,883.84	46,579,564.26	43,435,690.98
Expenses										
Business-Type Activities:										
Food Service	1,108,775.06	789,958.86	940,241.81	952,347.46	832,198.05	713,208.51	816,054.26	748,964.38	715,774.06	575,617.07
Total Business-Type Activities	1,108,775.06	789,958.86	940,241.81	952,347.46	832,198.05	713,208.51	816,054.26	748,964.38	715,774.06	575,617.07
Expense										
Total District Expenses	\$ 37,170,289.44	\$ 36,388,000.88	\$ 33,718,049.20	\$ 67,448,583.45	\$ 61,726,012.33	\$ 55,470,645.47	\$ 53,870,230.11	\$ 49,686,848.22	\$ 47,295,338.32	\$ 44,011,308.05
Program Revenues:										
Charges for Services:										
Instruction (Tuition)	\$ -	\$ -	\$ -	\$ -	\$ 11,800.00	\$ 16,950.00	\$ -	\$ -	\$ -	\$ 10,227.00
Operating Grants & Contributions	11,629,430.08	12,815,217.33	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
Total Governmental Activities	11,629,430.08	12,815,217.33	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
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	123,783.90	5,617.96	86,646.26	119,097.50	134,597.55	136,565.85	137,056.41	137,330.75	101,699.49	125,187.78
Operating Grants & Contributions	945,735.97	797,657.23	816,532.00	903,773.62	827,855.14	777,504.85	711,922.25	644,844.30	577,841.81	547,761.05
Total Business Type Activities	1,069,519.87	803,275.19	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
Program Revenues										
Total District Program Revenues	\$ 12,698,949.95	\$ 13,618,492.52	\$ 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	\$ 1,283,073.03

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net (Expense)/Revenue:										
Governmental Activities	\$ (24,432,084.30)	\$ (22,782,824.69)	\$ (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)
Business-Type Activities	(39,255.19)	13,316.33	(37,063.55)	70,523.66	(75,186.07)	81,872.65	135,770.15	(33,879.21)	(69,423.08)	(42,825.23)
Total District-Wide Net Expense	\$ (24,471,339.49)	\$ (22,769,508.36)	\$ (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)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 18,886,642.00	\$ 18,153,266.00	\$ 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
Taxes Levied for Debt Service	311,354.00	421,516.00	428,031.00	431,984.00	502,125.00	478,775.00	485,190.00	544,861.00	546,695.00	577,942.00
Grants & Contributions	11,652,731.74	6,770,379.25	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
Investment Earnings	-	-	-	-	29.92	24.34	95.68	-	118.72	3,328.23
Miscellaneous Income	531,564.64	27,899.09	94,747.05	303,844.64	96,052.68	138,656.30	32,470.88	845,671.93	29,739.22	74,202.48
Special Item - Loss on Disposal of Assets	-	-	(1,259.28)	-	-	-	-	-	(1,656.54)	-
Total Governmental Activities	31,382,292.38	25,373,060.34	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
Business-Type Activities:										
Investment Earnings	-	-	-	-	96.85	151.62	239.05	295.88	267.29	-
Miscellaneous	3,150.32	-	-	-	-	-	-	-	409.57	222.34
Total Business-Type Activities	3,150.32	-	-	-	96.85	151.62	239.05	295.88	676.86	222.34
Total District-Wide	\$ 31,385,442.70	\$ 25,373,060.34	\$ 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
Change in Net Position:										
Governmental Activities	\$ 6,950,208.08	\$ 2,590,235.65	\$ 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
Business-Type Activities	(36,104.87)	13,316.33	(37,063.55)	70,523.66	(75,089.22)	82,024.27	136,009.20	(33,583.33)	(68,746.22)	(42,602.89)
Total District	\$ 6,914,103.21	\$ 2,603,551.98	\$ 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

Source: ACFR Schedule A-2

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Restricted	\$ 14,841,916.29	\$ 8,409,135.76	\$ 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
Assigned	2,732,022.72	851,680.96	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
Unassigned	(163,448.36)	497,139.72	18,224.97	-	103,203.80	138,967.03	120,625.32	78,838.77	126,169.20	175,286.65
Total General Fund	\$ 17,410,490.65	\$ 9,757,956.44	\$ 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
All Other Governmental Funds:										
Restricted										
Debt Service Fund	\$ 1.27	\$ 0.98	\$ 0.48	\$ 0.48	\$ 2,562.73	\$ (1.79)	\$ (1.79)	\$ 683.21	\$ 683.21	\$ 682.00
Capital Projects Fund	2,160,339.58	1,611,899.85	(572,335.98)	-	76,228.39	76,228.39	96,176.37	757,287.25	71,771.25	60,180.41
Student Activities	22,819.52	12,725.71	-	-	-	-	-	-	-	-
Committed	4,656.90	1,112,428.81	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	6,510,885.19	6,510,885.19	-	-	-	-
Unassigned, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	(205,404.98)	(264,596.07)	(407,906.70)	(266,952.87)
Total All Other Governmental Funds	\$ 2,187,817.27	\$ 2,737,055.35	\$ (572,335.50)	\$ 0.48	\$ 6,589,676.31	\$ 6,587,111.79	\$ (109,230.40)	\$ 493,374.39	\$ (335,452.24)	\$ (206,090.46)

Source: ACFR 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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Tax Levy	19,197,996.00	18,574,782.00	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
Tuition Charges	-	-	-	-	11,800.00	16,950.00	-	-	-	10,227.00
Interest Earnings	-	-	-	-	29.92	24.34	95.68	-	118.72	3,328.23
Miscellaneous	536,879.29	213,823.30	128,295.61	392,510.32	96,052.68	138,656.30	32,470.88	845,671.93	29,739.22	74,202.48
State Sources	18,605,425.68	14,103,351.34	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
Federal Sources	5,461,122.49	2,068,908.76	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
Total Revenues	43,801,423.46	34,960,865.40	32,447,558.65	64,007,799.85	59,274,815.45	54,256,233.77	52,115,148.23	50,299,767.61	48,055,923.18	44,028,264.63
Expenditures										
Instruction:										
Regular Instruction	8,110,082.86	7,733,764.84	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
Special Education Instruction	2,551,535.33	2,177,588.62	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
Other Special Instruction	-	-	-	-	1,292,435.30	1,204,673.29	842,937.24	860,302.28	585,767.68	642,630.42
Other Instruction	887,921.37	865,140.28	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
Support Services:										
Tuition	372,415.20	235,763.69	573,548.14	640,224.93	234,636.32	690,059.78	693,169.80	624,824.22	459,556.13	506,784.88
Health Services	212,054.38	162,176.59	170,255.64	157,961.12	157,961.12	-	-	-	-	-
Student & Instruction Related Services	6,460,638.60	4,948,875.09	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
General Administration	747,527.25	-	-	-	457,792.90	427,438.14	375,646.31	368,513.07	384,305.01	350,266.37
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
Central Services	289,692.48	282,340.12	294,309.69	271,376.04	239,319.15	246,353.08	223,911.36	237,581.69	178,755.54	192,147.32
Administration Information										
Technology Services	286,778.87	266,261.30	187,756.36	258,323.14	132,984.48	221,177.80	114,387.05	153,070.36	100,025.14	94,173.93
School Administrative Services	565,560.46	533,114.66	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
Plant Operations & Maintenance	1,917,376.53	1,922,675.23	2,251,591.61	1,868,165.99	932,487.26	914,614.28	923,397.69	854,603.83	829,397.69	720,940.74
Pupil Transportation	1,249,012.69	1,117,572.46	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
Unallocated Benefits	10,498,024.13	8,738,858.82	7,822,234.35	7,199,947.62	7,199,947.62	7,199,947.62	7,199,947.62	7,199,947.62	7,199,947.62	7,199,947.62
Charter Schools	2,744,801.00	2,196,460.00	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
Special Schools	271,402.01	102,516.73	221,034.56	185,855.83	144,672.67	150,247.35	148,737.93	119,894.90	115,615.23	65,199.68
Capital Outlay	1,834,666.95	3,561,939.73	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
Debt Service:										
Principal	375,000.00	415,000.00	415,000.00	415,000.00	470,000.00	370,000.00	360,000.00	401,036.26	384,814.35	388,650.53
Interest & Other Charges	150,750.00	60,515.50	67,031.00	73,546.75	113,344.16	108,775.00	125,875.00	143,824.74	161,879.44	176,233.53
Total Expenditures	39,525,240.11	35,883,746.95	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
Other Financing Sources/(Uses):										
Proceeds from Bonds	-	6,750,000.00	-	-	-	-	-	-	-	-
Transfers In	275,000.00	-	-	-	2,145,000.00	-	-	-	-	-
Transfers Out	(275,000.00)	-	-	-	(2,115,216.32)	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	6,750,000.00	-	-	29,783.68	-	-	-	-	-
Net Change in Fund Balances	\$ 4,276,183.35	\$ 5,827,118.45	\$ 364,740.28	\$ 34,003,659.45	\$ 32,857,781.35	\$ 29,135,584.69	\$ 27,134,346.33	\$ 26,567,722.96	\$ 24,963,086.21	\$ 23,471,801.37
Debt Service as a Percentage of Noncapital Expenditures	1.39%	1.47%	1.57%	1.63%	2.24%	1.92%	2.05%	2.33%	2.38%	2.78%

Source: ACFR 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>
2023	\$ -	\$ -	\$ -	\$ -	-	\$ 464,920.60	\$ 464,920.60
2022	28.79	-	-	-	-	14,416.88	14,445.67
2021	779.03	-	-	-	-	93,968.02	94,747.05
2020	934.91	-	-	-	444,640.67	(141,730.94)	303,844.64
2019	-	11,800.00	-	-	-	12,329.79	24,129.79
2018	-	16,950.00	-	-	-	76,977.09	93,927.09
2017	8,607.60	-	3,380.14	-	-	3,380.14	15,367.88
2016	7,130.97	-	1,974.00	1,974.00	-	(10,983.29)	95.68
2015	118.72	-	-	-	-	12,202.66	12,321.38
2014	3,226.27	10,227.00	21,003.00	-	-	40,507.95	74,964.22

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
2014	26,904,400	1,304,980,421	-	-	656,484,700	43,564,600	153,793,800	2,185,727,921	378,642,800	6,675,440	2,571,046,161	0.683	1,990,213,711
2015	27,622,000	1,232,412,421	-	-	619,175,000	38,353,100	151,200,400	2,068,762,921	375,834,600	6,567,944	2,451,165,465	0.77	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	2,457,955,810	0.445	2,078,099,910
2017	15,285,900	1,223,134,500	-	-	645,228,700	28,360,900	202,216,200	2,114,226,200	378,363,000	8,082,581	2,506,671,781	0.425	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	0.802	2,231,776,788
2020	20,953,800	1,293,632,000	-	-	720,612,300	23,306,000	214,324,300	2,272,828,400	-	8,612,415	2,281,440,815	0.814	2,281,440,815
2021	22,777,000	1,376,161,600	-	-	731,620,000	23,495,700	219,568,900	2,373,633,200	-	9,405,487	2,383,028,687	0.789	2,503,484,424
2022	24,628,300	1,592,880,200	-	-	783,967,900	25,635,300	226,342,700	2,653,454,400	-	9,389,982	2,662,844,382	0.721	2,566,637,980
2023	19,889,700	1,708,715,500	-	-	863,457,300	28,759,700	273,796,100	2,894,618,300	-	9,814,013	2,904,432,313	0.478	2,904,432,313

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 ACFR 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	RED BANK BOROUGH	REGIONAL SCHOOL RATE	MONMOUTH COUNTY	
2014	0.656	0.027	0.683	0.574	0.396	0.260	1.913
2015	0.745	0.025	0.770	0.574	0.422	0.267	2.033
2016	0.432	0.013	0.445	0.551	1.825	0.282	3.103
2017	0.423	0.002	0.425	0.561	0.802	0.275	2.063
2018	0.438	0.016	0.454	0.589	0.827	0.283	2.153
2019	0.782	0.020	0.802	0.814	0.483	0.277	2.376
2020	0.795	0.019	0.814	0.654	0.526	0.278	2.272
2021	0.771	0.018	0.789	0.649	0.519	0.280	2.237
2022	0.710	0.011	0.721	0.565	0.483	0.238	2.007
2023	0.458	0.020	0.478	0.674	0.535	0.224	1.911

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	2023		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

DATA NOT AVAILABLE

Total	\$ -	0.000%
-------	------	--------

Taxpayer	2014		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

DATA NOT AVAILABLE

Total	\$ -	-
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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	
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%	-
2021	18,574,782.00	18,574,782.00	100.00%	-
2022	18,811,527.00	18,161,565.00	100.00%	-
2023	19,197,996.00	19,197,996.00	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				
2014	\$ 2,825,000.00	\$ -	\$ 2,825,000.00	0.42%	263.54	
2015	2,105,000.00	-	2,105,000.00	0.35%	230.71	
2016	2,095,000.00	-	2,095,000.00	0.25%	172.67	
2017	1,675,000.00	-	1,675,000.00	0.24%	172.51	
2018	1,245,000.00	-	1,245,000.00	0.18%	138.21	
2019	830,000.00	-	830,000.00	0.08%	103.11	
2020	415,000.00	-	415,000.00	0.04%	68.89	
2021	6,750,000.00	-	6,750,000.00	0.56%	0.00	
2022	6,450,000.00	-	6,450,000.00	N/A	0.00	
2023	6,075,000.00	-	6,075,000.00	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				
2014	\$ 2,825,000.00	\$ 41,036.32	\$ -		\$ 2,825,000.00	0.15%	289.65
2015	2,105,000.00	-	-		2,105,000.00	0.14%	259.72
2016	2,095,000.00	-	-		2,095,000.00	0.10%	230.82
2017	1,675,000.00	-	-		1,675,000.00	0.10%	172.50
2018	1,245,000.00	-	-		1,245,000.00	0.08%	171.95
2019	830,000.00	-	-		830,000.00	0.06%	137.86
2020	415,000.00	-	-		415,000.00	0.04%	68.89
2021	6,750,000.00	-	-		6,750,000.00	0.27%	N/A
2022	6,450,000.00	-	-		6,450,000.00	N/A	N/A
2023	6,075,000.00	-	-		6,075,000.00	N/A	N/A

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, 2022**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Red Bank Borough	\$ 14,769,710.00	100.00%	\$ 14,769,710.00
Red Bank Regional High School	18,055,000.00	44.15%	7,971,282.50
Monmouth County General Obligation Debt	487,746,546.00	1.74%	<u>8,501,553.96</u>
Subtotal, Overlapping Debt			31,242,546.46
Red Bank Public School District Debt			<u>6,075,000.00</u>
Total Direct & Overlapping Debt			<u><u>\$ 37,317,546.46</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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 77,149,488.84	\$ 74,097,087.86	\$ 71,451,229.59	\$ 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
Total Net Debt Applicable to Limit	6,075,000.00	6,450,000.00	6,750,000.00	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
Legal Debt Margin	\$ 71,074,488.84	\$ 67,902,520.34	\$ 67,902,520.34	\$ 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
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.87%	8.70%	61.00%	61.00%	1.26%	3.35%	5.12%	4.01%	4.62%	4.78%

Legal Debt Margin Calculation

	Equalized Valuation Basis
2022	\$ 2,662,844,382.00
2021	2,557,232,493.00
2020	2,494,872,009.00
	<u>\$ 7,714,948,884.00</u>
	<u>\$ 2,571,649,628.00</u>
	<u>\$ 77,149,488.84</u>
	<u>6,075,000.00</u>
	<u>\$ 71,074,488.84</u>

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

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

Demographic and Economic Information

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

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

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**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)
2014	12,197	823,065,757	67,481	4.60%
2015	12,149	859,736,134	70,766	5.60%
2016	12,122	885,803,028	73,074	4.90%
2017	12,077	916,354,452	75,876	4.20%
2018	12,046	954,633,454	79,249	3.20%
2019	11,986	986,088,220	82,270	4.20%
2020	11,979	1,031,284,089	86,091	2.70%
2021	12,920	1,190,177,480	92,119	4.80%
2022	12,856	N/A	N/A	3.00%
2023	N/A	N/A	N/A	N/A

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**

	2023	
		PERCENTAGE OF TOTAL EMPLOYMENT
EMPLOYEES	RANK	

DATA NOT AVAILABLE

Total	0	0.00%
Total Employment - (Estimated)	0	

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**

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	102	99	117	118	118	114	108	99	98	70
Special Education	30	30	25	22	22	20	16	13	13	13
Other Special Instruction	44	42	32	32	32	27	31	37	33	27
Support Services:										
Student & Instruction Related Services	22	22	18	18	13	12	11	10	10	6
General Administration	5	5	6	6	6	6	6	6	6	5
School Administrative Services	13	13	14	14	14	15	15	14	13	8
Business Administrative Services	4	4	4	4	4	4	4	4	4	4
Plant Operations & Maintenance	23	23	17	17	17	17	17	17	16	14
Pupil Transportation	-	3	3	3	3	3	3	3	3	4
Total	243	241	236	234	229	218	211	203	196	151

Source: District Personnel Records

RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO (d)		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEM	MIDDLE				
2023	1,282	\$ 29,572,331.32	\$ 23,067.34	11.77%	102	1:12	1:12	1,271	1,210	-6.06%	95.20%
2022	1,366	28,192,065.43	20,638.41	29.65%	99	1:12	1:12	1,353	1,275	-2.52%	94.24%
2021	1,390	22,126,413.00	15,918.28	-9.24%	117	1:12	1:12	1,388	1,341	-2.12%	96.61%
2020	1,412	25,850,928.00	17,538.00	14.70%	117	1:12	1:12	1,418	1,387	1.21%	97.81%
2019	1,428	21,834,265.05	15,290.10	-18.79%	118	1:12	1:12	1,401	1,398	-0.64%	99.79%
2018	1,402	26,397,612.43	18,828.54	5.04%	110	1:12	1:12	1,410	1,354	9.90%	96.03%
2017	1,426	25,561,704.88	17,925.46	4.34%	107	1:14	1:18	1,283	1,229	1.83%	95.79%
2016	1,421	24,412,511.87	17,179.81	3.52%	102	1:21	1:21	1,260	1,214	-9.29%	96.35%
2015	1,397	23,183,259.08	16,595.03	3.34%	102	1:20	1:17	1,389	1,162	1.98%	83.66%
2014	1,368	21,967,297.00	16,057.97	-73.97%	102	1:20	1:17	1,362	1,122	14.18%	82.38%

Sources: District records

Note: Enrollment based on annual October district count from the year prior.

a Operating expenditures equal total expenditures less debt service, capital outlay, and on-behalf TPAF Pension and reimbursed TPAF social security contributions. J-4

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

d Pupil/Teacher ratio was obtained from the Comparative Spending Guide

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>DISTRICT BUILDINGS</u>										
Primary:										
Red Bank Primary:										
Square Feet	62,435	62,435	62,435	62,435	62,435	62,435	62,435	62,435	62,435	62,435
Capacity (Students)	527	527	527	527	527	527	527	527	527	527
Enrollment	722	717	721	726	684	681	680	680	639	639
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	485	511	533	549	571	604	652	652	642	642
Other:										
Administration Building (1909)	5,160	5,160	5,160	5,160	5,160	5,160	5,160	5,160	5,160	5,160

Number of Schools at June 30, 2023
 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
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED**

Undistributed Expenditures - Required
Maintenance for School Facilities
11-000-261-xxx

*School Facilities		Middle	Primary	Other	
	Project # (s)	School	School	Facilities	Total
2023	N/A	211,623.09	254,915.76	11,932.42	478,471.27
2022	N/A	260,501.43	250,102.50	19,978.01	530,581.94
2021	N/A	458,179.06	227,002.46	15,704.20	700,885.72
2020	N/A	916,146.09	176,513.58	29,333.91	1,121,993.58
2019	N/A	482,724.84	258,803.00	23,886.00	765,413.84
2018	N/A	1,117,771.76	225,600.22	14,125.58	1,357,497.56
2017	#4360-x01-16-1000	250,735.12	209,830.00	137,246.00	597,811.12
2016	N/A	216,872.34	157,757.13	18,773.89	393,403.36
2015	N/A	178,015.45	158,516.37	19,025.70	355,557.52
2014	N/A	149,248.05	147,032.03	14,619.75	310,899.83
Total School Facilities		4,241,817.23	2,066,073.05	304,625.46	6,612,515.74

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, 2023
(UNAUDITED)**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
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	250,000	
	Equipment Breakdown		
	Combined Single Limit per Accident	100,000	25,000
	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	10,000
New Jersey School Boards Association Insurance Group	Worker's Compensation	3,000,000	
AIG/New Jersey School Boards Association Insurance Group	Excess Worker's Compensation		7-day waiting period
Berkeley Accident & Health Bob McCloskey Ins.	Student Accident Insurance	1,000,000	
	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
NJ Schools Insurance Group		2,000,000	Various

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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, New Jersey 07701

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, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 27, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of This Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Brian J. Waldron
Certified Public Accountant
Public School Accountant, No. 2600

Lakewood, New Jersey
December 27, 2023



Certified Public Accountants + Advisors

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EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Red Bank Borough Public School District
County of Monmouth
Red Bank, NJ 07701

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Red Bank Borough Public School District's compliance with types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2023. The 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.

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, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the

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

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Brian J. Waldron

Certified Public Accountant

Public School Accountant, No. 2600

Lakewood, New Jersey

December 27, 2023

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RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FEDERAL AGENCY NUMBER	FEDERAL IDENTIFICATION NUMBER	PASS THROUGH IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	UNEARNED REVENUE	BALANCE JUNE 30, 2023 (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
93.778	200NS15MAP	1000454-2540-211	\$ 136,923.94	7/1/22-6/30/23	\$ (32,990.59)	-	136,923.94	(136,923.94)	-	32,990.59	-	-	-
93.778	200NS15MAP	1000454-2540-211	111,891.72	7/1/21-6/30/22	(32,990.59)	-	136,923.94	(136,923.94)	-	32,990.59	-	-	-
					(32,990.59)	-	136,923.94	(136,923.94)	-	32,990.59	-	-	-
					(32,990.59)	-	136,923.94	(136,923.94)	-	32,990.59	-	-	-
10.553	21INDJ04N1099	1000103330-028	133,763.12	7/1/22-6/30/23	(12,287.80)	-	126,475.30	(133,763.12)	-	-	-	(7,224.02)	-
10.553	21INDJ04N1099	1000103330-028	179,477.34	7/1/21-6/30/22	(12,287.80)	-	138,226.90	(133,763.12)	-	-	-	(2,224.02)	-
10.555	21INDJ04N1199	1000103330-026	614,048.95	7/1/22-6/30/23	(58,619.58)	-	579,631.85	(614,048.95)	-	-	-	(34,417.00)	-
10.555	21INDJ04N1199	1000103330-026	1,794,773.34	7/1/21-6/30/22	(58,619.58)	-	58,619.58	(3,791.88)	-	-	-	(201.96)	-
10.555	21INDJ04N1199	1000103330-026	3,791.88	7/1/22-6/30/23	(98.00)	-	3,791.88	(3,791.88)	-	-	-	(201.96)	-
10.555	21INDJ04N1199	1000103330-026	1,351.00	7/1/21-6/30/22	(8,672.68)	-	98.00	(103,247.79)	-	-	-	7,629.36	-
10.555	21INDJ04N1199	Unavailable	102,889.47	7/1/22-6/30/23	(95,989.90)	-	744,246.92	(121,248.62)	-	-	-	(34,619.00)	-
10.559	21INDJ04N1099	1000103330-103	19,931.84	10/1/22-9/30/23	-	-	19,931.84	(19,931.84)	-	-	-	-	-
10.559	21INDJ04N1099	1000103330-102	1,663.78	10/1/22-9/30/23	-	-	1,663.78	(1,663.78)	-	-	-	-	-
10.582	21INDJ04L1603	1000103330-100-006	37,049.86	10/1/22-9/30/23	(3,941.07)	-	36,108.89	(37,049.86)	-	-	-	(1,501.25)	-
10.582	21INDJ04L1603	1000103330-100-006	41,948.85	10/1/21-9/30/22	(3,941.07)	-	3,941.07	(37,049.86)	-	-	-	(1,501.25)	-
					(3,941.07)	-	40,100.68	(37,960.80)	-	-	-	(1,501.25)	-
					(66,198.77)	-	945,072.02	(914,588.22)	-	-	-	(43,344.33)	-
					-	-	419.40	(419.40)	-	-	-	-	-
					-	-	419.40	(419.40)	-	-	-	-	-
					(66,198.77)	-	945,491.42	(915,007.62)	-	-	-	(43,344.33)	-
					(280,653.30)	-	464,777.70	(438,197.07)	-	-	-	26,580.63	-
					(280,653.30)	-	745,431.00	(438,197.07)	-	-	-	26,580.63	-
84.367A	S367A220029	100034-5063-290	31,449.00	7/1/22-9/30/23	(8,321.22)	-	24,423.78	(26,620.49)	-	-	-	(1,996.71)	-
84.367A	S367A210029	100034-5063-290	31,393.00	7/1/21-9/30/22	(8,321.22)	-	32,945.00	(26,620.49)	-	-	-	(1,996.71)	-
84.365A	S365A20030	100034-5064-187	83,483.00	7/1/22-9/30/23	(30,877.00)	-	66,846.00	(63,403.96)	-	-	-	3,442.94	-
84.365A	S365A20030	100034-5064-187	87,316.00	7/1/21-9/30/22	(30,877.00)	-	30,877.00	(30,877.00)	-	-	-	(118.59)	-
84.365A	S365A20030	100034-5064-187	5,669.00	7/1/22-9/30/23	(30,877.00)	-	5,669.00	(5,721.59)	-	-	-	(118.59)	-
					(30,877.00)	-	103,226.00	(99,124.69)	-	-	-	3,442.94	-
84.425D	S425D20027	100034-5120-517	772,668.00	3/1/20-9/30/22	(150,625.74)	-	166,611.00	(159,846.63)	-	-	(0.63)	(14,048.14)	-
84.425D	S425D20027	100034-5120-518	2,469,686.00	3/1/20-9/30/23	(1,346,885.86)	-	1,813,846.00	(481,698.28)	-	-	-	(6,766.00)	-
84.425D	S425D20027	100034-5120-518	158,491.00	3/1/20-9/30/23	(98,685.81)	-	127,197.00	(133,066.15)	-	-	-	(1,368.00)	-
84.425D	S425D20027	100034-5120-518	45,000.00	3/1/20-9/30/23	2,473.25	-	30,465.00	(34,306.25)	-	-	-	(49,788.29)	-
84.425D	S425D20027	100034-5120-519	5,000.00	3/1/20-9/30/23	(1,000.00)	-	2,319.00	(2,149.00)	-	-	-	(301.00)	-
84.425D	S425D20027	100034-5120-519	157,026.60	3/1/20-9/30/24	(1,000.00)	-	73,791.00	(74,090.00)	-	-	-	(301.00)	-
84.425W	S425W210027	Unavailable	17,621.00	4/23/21-9/30/24	(1,000.00)	-	5,135.00	(4,134.82)	-	-	(0.18)	(460.31043)	-
					(2,141,337.46)	-	4,559,008.00	(2,918,880.16)	-	-	-	(460.31043)	-
84.097A	H077A220100	100034-5065-016	139,367.00	7/1/22-9/30/23	(50,908.45)	-	426,514.55	(474,801.10)	-	-	-	(48,786.55)	-
84.097A	H077A210100	100034-5065-016	498,171.00	7/1/21-9/30/22	(50,908.45)	-	498,171.00	(474,801.10)	-	-	-	(48,786.55)	-
84.027A	H027A210100	100034-5065-094	97,016.00	7/1/21-9/30/22	(18,678.00)	-	12,675.00	(6,003.61)	-	-	-	(12,006.61)	-
					(69,176.45)	-	489,138.00	(480,804.71)	-	-	-	(60,793.10)	-
84.173	H173A220114	100034-5065-020	16,318.00	7/1/22-9/30/23	(13,779.00)	-	16,000.00	(16,000.00)	-	-	-	-	-
84.173	H173A210114	100034-5065-020	13,779.00	7/1/21-9/30/22	(13,779.00)	-	13,779.00	-	-	-	-	-	-
84.173X	H173X210114	100034-5065-095	8,229.00	7/1/21-9/30/22	(22,008.00)	-	38,008.00	(16,000.00)	-	-	-	-	-
					(9,184.45)	-	527,196.00	(496,804.71)	-	-	-	(60,793.10)	-
					(2,552,073.43)	-	6,008,506.00	(3,949,627.08)	-	(0.81)	30,023.57	(521,218.89)	-
					(2,651,062.79)	-	7,099,921.36	(5,001,558.64)	-	32,989.78	37,652.93	(566,563.22)	-

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
Subtotal

National School Lunch Program
National School Lunch Program
After School Snacks
After School Snacks
Food Distribution Program (Noncash Assistance)
Subtotal

Summer Food Service Program for Children-Food
Summer Food Service Program for Children-Admin
Subtotal

Fresh Fruit and Vegetable Program
Fresh Fruit and Vegetable Program
Subtotal

Total Child Nutrition Cluster

Local Food For School (LFS) Cooperative Program
Subtotal

Total U.S. Department of Agriculture

U.S. Department of Education
Passed Through New Jersey Department of Education:
Title I - Elementary Act:
Title I - Part A
Title I - Part A

Title II - Part A, Supporting Effective Instruction
Title II - Part A, Supporting Effective Instruction

Title III - English Language Acquisition
Title III - English Language Acquisition
Title III - Immigration

CARES Emergency Relief Grant
CRRSA Elementary and Secondary School Emergency Relief Fund
CRRSA Learning Acquisition
CRRSA Mental Health
CRRSA Title I
ARP Elementary and Secondary Schools Emergency Relief Fund
ARP Homeless Children and Youth

Special Education Cluster:
LDE.A Part B
LDE.A Part B
ARP LDE.A Part B

LDE.A Preschool
LDE.A Preschool
ARP LDE.A Preschool

Total Special Education Cluster

Total U.S. Department of Education

Total Expenditures of Federal Awards

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RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS' BALANCES	ADJUSTMENT	UNEARNED REVENUE	BALANCE, JUNE 30, 2023		MEMO CUMULATIVE TOTAL EXPENDITURES
												(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR (RECEIVABLE)	
New Jersey Department of Education:														
General Fund:														
Special Education Categorical Aid	495-004-5120-089	\$ 1,208,304.00	7/1/22-6/30/23	-	-	\$ 1,208,304.00	(1,208,304.00)	-	-	-	-	-	\$ -	1,208,304.00
Special Aid	495-004-5120-084	634,293.00	7/1/22-6/30/23	-	-	634,293.00	(634,293.00)	-	-	-	-	-	-	634,293.00
Equipment Aid	495-004-5120-078	7,290,521.00	7/1/22-6/30/23	-	-	7,290,521.00	(7,290,521.00)	-	-	-	-	-	-	7,290,521.00
Supplemental Stimulation Aid	495-004-5120-128	300,165.00	7/1/22-6/30/23	-	-	300,165.00	(300,165.00)	-	-	-	-	-	-	300,165.00
Total State Aid Public														
Transportation Aid	495-004-5120-014	189,188.00	7/1/22-6/30/23	-	-	189,188.00	(189,188.00)	-	-	-	-	-	-	189,188.00
Extraordinary Aid	495-004-5120-044	300,700.00	7/1/22-6/30/23	-	-	300,700.00	(300,700.00)	-	-	-	-	-	-	300,700.00
Additional Non-Public Transportation Aid	495-004-5120-044	298,664.00	7/1/22-6/30/23	-	-	298,664.00	(298,664.00)	-	-	-	-	-	-	298,664.00
Additional Non-Public Transportation Aid	495-004-5120-014	11,903.00	7/1/22-6/30/23	-	-	11,903.00	(11,903.00)	-	-	-	-	-	-	11,903.00
Additional Non-Public Transportation Aid	495-004-5120-014	9,330.00	7/1/22-6/30/23	-	-	9,330.00	(9,330.00)	-	-	-	-	-	-	9,330.00
Reimbursed TPAF Social Security Contributions	495-004-5094-003	789,725.24	7/1/22-6/30/23	-	-	789,725.24	(789,725.24)	-	-	-	-	-	-	789,725.24
TPAF - Post Retirement	495-004-5094-003	728,250.93	7/1/22-6/30/23	-	-	728,250.93	(728,250.93)	-	-	-	-	-	-	728,250.93
TPAF - Noncash Assistance	495-004-5094-001	830,212.00	7/1/22-6/30/23	-	-	830,212.00	(830,212.00)	-	-	-	-	-	-	830,212.00
Contributions (Noncash Assistance)	495-004-5094-002	3,541,000.00	7/1/22-6/30/23	-	-	3,541,000.00	(3,541,000.00)	-	-	-	-	-	-	3,541,000.00
TPAF - Long-Term Disability	495-004-5094-004	2,205.00	7/1/22-6/30/23	-	-	2,205.00	(2,205.00)	-	-	-	-	-	-	2,205.00
Insurance (Noncash Assistance)	495-004-5094-004	2,205.00	7/1/22-6/30/23	-	-	2,205.00	(2,205.00)	-	-	-	-	-	-	2,205.00
Total General Fund														
Special Revenue Fund:														
Non-Public Aid:														
Textbooks	100-004-5120-064	22,988.00	7/1/22-6/30/23	-	-	22,988.00	(22,988.00)	-	-	-	-	-	-	22,988.00
Textbooks	100-004-5120-064	21,727.00	7/1/22-6/30/23	-	-	21,727.00	(21,727.00)	-	-	-	-	-	-	21,727.00
Textbooks	100-004-5120-064	38,676.00	7/1/22-6/30/23	-	-	38,676.00	(38,676.00)	-	-	-	-	-	-	38,676.00
Nursing Services	100-004-5120-070	40,544.00	7/1/22-6/30/23	-	-	40,544.00	(40,544.00)	-	-	-	-	-	-	40,544.00
Technology Initiative	100-004-5120-373	14,616.00	7/1/22-6/30/23	-	-	14,616.00	(14,616.00)	-	-	-	-	-	-	14,616.00
Technology Initiative	100-004-5120-373	15,204.00	7/1/22-6/30/23	-	-	15,204.00	(15,204.00)	-	-	-	-	-	-	15,204.00
Security Aid	100-004-5120-509	71,340.00	7/1/22-6/30/23	-	-	71,340.00	(71,340.00)	-	-	-	-	-	-	71,340.00
Security Aid	100-004-5120-509	63,350.00	7/1/22-6/30/23	-	-	63,350.00	(63,350.00)	-	-	-	-	-	-	63,350.00
Auxiliary Services Aid (Chapter 192):	100-004-5120-067	78,076.00	7/1/22-6/30/23	-	-	78,076.00	(78,076.00)	-	-	-	-	-	-	78,076.00
Compensatory Education	100-004-5120-067	72,738.00	7/1/22-6/30/23	-	-	72,738.00	(72,738.00)	-	-	-	-	-	-	72,738.00
Compensatory Education	100-004-5120-067	1,493.64	7/1/22-6/30/23	-	-	1,493.64	(1,493.64)	-	-	-	-	-	-	1,493.64
Handicapped Services (Chapter 193):	100-004-5120-066	44,749.00	7/1/22-6/30/23	-	-	44,749.00	(44,749.00)	-	-	-	-	-	-	44,749.00
Examination and Classification	100-004-5120-066	23,715.00	7/1/22-6/30/23	-	-	23,715.00	(23,715.00)	-	-	-	-	-	-	23,715.00
Corrective Speech	100-004-5120-066	38,327.00	7/1/22-6/30/23	-	-	38,327.00	(38,327.00)	-	-	-	-	-	-	38,327.00
Supplementary Instruction	100-004-5120-066	2,572.00	7/1/22-6/30/23	-	-	2,572.00	(2,572.00)	-	-	-	-	-	-	2,572.00
School Security Grant	100-004-5120-001	26,614.00	7/1/22-6/30/23	-	-	26,614.00	(26,614.00)	-	-	-	-	-	-	26,614.00
SDA Emergency Grant	Unavailable	932,885.83	7/1/22-6/30/23	-	-	3,071,575.80	(3,049,976.66)	-	-	-	-	-	-	3,049,976.66
Preschool Education Aid	495-004-5120-086	3,412,862.00	7/1/22-6/30/23	-	-	3,412,862.00	(3,412,862.00)	-	-	-	-	-	-	3,412,862.00
Preschool Education Aid	495-004-5120-086	3,384,854.00	7/1/22-6/30/23	-	-	3,384,854.00	(3,384,854.00)	-	-	-	-	-	-	3,384,854.00
Total Special Revenue Fund														
Debt Service Fund:														
Debt Service Aid	495-004-5120-075	160,396.00	7/1/22-6/30/23	-	-	160,396.00	(160,396.00)	-	-	-	-	-	-	160,396.00
Total Debt Service Fund														
New Jersey Department of Agriculture:														
Enterprise Fund:	495-010-3350-002	20,534.35	7/1/22-6/30/23	-	-	21,139.54	(22,526.35)	-	-	-	-	-	-	22,526.35
National School Lunch Program	495-010-3350-002	18,940.77	7/1/22-6/30/23	-	-	7,280.20	(8,202.00)	-	-	-	-	-	-	8,202.00
National School Breakfast Program	495-010-3350-004	8,202.00	7/1/22-6/30/23	-	-	30,455.45	(30,228.35)	-	-	-	-	-	-	30,228.35
Total Enterprise Fund														
Total State Financial Assistance														
State Financial Assistance Programs not Subject to Calculation for Major Program Determination:														
TPAF - Post Retirement	495-004-5094-001	\$ 830,212.00	7/1/22-6/30/23	-	-	\$ -	\$ 830,212.00	-	-	-	-	-	-	830,212.00
Medical (Noncash Assistance)	495-004-5094-002	3,541,000.00	7/1/22-6/30/23	-	-	3,541,000.00	(3,541,000.00)	-	-	-	-	-	-	3,541,000.00
TPAF - Pension	495-004-5094-002	2,205.00	7/1/22-6/30/23	-	-	2,205.00	(2,205.00)	-	-	-	-	-	-	2,205.00
TPAF - Long-Term Disability	495-004-5094-004	2,205.00	7/1/22-6/30/23	-	-	2,205.00	(2,205.00)	-	-	-	-	-	-	2,205.00
Insurance (Noncash Assistance)	495-004-5094-004	2,205.00	7/1/22-6/30/23	-	-	2,205.00	(2,205.00)	-	-	-	-	-	-	2,205.00
Total State Financial Assistance Subject to Calculation for Major Program Determination														
												\$ 1,208,304.00	\$ 1,208,304.00	
												\$ 634,293.00	\$ 634,293.00	
												\$ 7,290,521.00	\$ 7,290,521.00	
												\$ 300,165.00	\$ 300,165.00	
												\$ 189,188.00	\$ 189,188.00	
												\$ 300,700.00	\$ 300,700.00	
												\$ 298,664.00	\$ 298,664.00	
												\$ 11,903.00	\$ 11,903.00	
												\$ 9,330.00	\$ 9,330.00	
												\$ 789,725.24	\$ 789,725.24	
												\$ 728,250.93	\$ 728,250.93	
												\$ 830,212.00	\$ 830,212.00	
												\$ 3,541,000.00	\$ 3,541,000.00	
												\$ 2,205.00	\$ 2,205.00	
												\$ 15,185,235.38	\$ 15,185,235.38	
												\$ (51,637,499)	\$ (51,637,499)	
												\$ 22,988.00	\$ 22,988.00	
												\$ 21,727.00	\$ 21,727.00	
												\$ 38,676.00	\$ 38,676.00	
												\$ 40,544.00	\$ 40,544.00	
												\$ 14,616.00	\$ 14,616.00	
												\$ 15,204.00	\$ 15,204.00	
												\$ 71,340.00	\$ 71,340.00	
												\$ 63,350.00	\$ 63,350.00	
												\$ 78,076.00	\$ 78,076.00	
												\$ 72,738.00	\$ 72,738.00	
												\$ 1,493.64	\$ 1,493.64	
												\$ 44,749.00	\$ 44,749.00	
												\$ 23,715.00	\$ 23,715.00	
												\$ 38,327.00	\$ 38,327.00	
												\$ 2,572.00	\$ 2,572.00	
												\$ 26,614.00	\$ 26,614.00	
												\$ 3,412,862.00	\$ 3,412,862.00	
												\$ 3,384,854.00	\$ 3,384,854.00	
												\$ 160,396.00	\$ 160,396.00	
												\$ 20,534.35	\$ 20,534.35	
												\$ 18,940.77	\$ 18,940.77	
												\$ 8,202.00	\$ 8,202.00	
												\$ 30,455.45	\$ 30,455.45	
												\$ (1,186.81)	\$ (1,186.81)	
												\$ (42,180)	\$ (42,180)	
												\$ (1,608.61)	\$ (1,608.61)	
												\$ 1,009,015.47	\$ 1,009,015.47	
												\$ 5,154.56	\$ 5,154.56	
												\$ 341,286.20	\$ 341,286.20	
												\$ 160,396.00	\$ 160,396.00	
												\$ 22,526.35	\$ 22,526.35	
												\$ 8,202.00	\$ 8,202.00	
												\$ 3,049,976.66	\$ 3,049,976.66	
												\$ 3,378,992.74	\$ 3,378,992.74	
												\$ 160,396.00	\$ 160,396.00	
												\$ 1,208,304.00	\$ 1,208,304.00	
												\$ 634,293.00	\$ 634,293.00	
												\$ 7,290,521.00	\$ 7,290,521.00	
												\$ 300,165.00	\$ 300,165.00	
												\$ 189,188.00	\$ 189,188.00	
												\$ 300,700.00	\$ 300,700.00	
												\$ 298,664.00	\$ 298,664.00	
												\$ 11,903.00	\$ 11,903.00	
												\$ 9,330.00	\$ 9,330.00	
												\$ 789,725.24	\$ 789,725.24	
												\$ 728,250.93	\$ 728,250.93	
												\$ 830,212.00	\$ 830,212.00	
												\$ 3,541,000.00	\$ 3,541,000.00	
												\$ 2,205.00	\$ 2,205.00	
												\$ (51,637,499)	\$ (51,637,499)	
												\$ 22,988.00	\$ 22,988.00	
												\$ 21,727.00	\$ 21,727.00	
												\$ 38,676.00	\$ 38,676.00	
												\$ 40,544.00	\$ 40,544.00	
												\$ 14,616.00	\$ 14,616.00	
												\$ 15,204.00	\$ 15,204.00	
												\$ 71,340.00	\$ 71,340.00	
												\$ 63,350.00	\$ 63,350.00	
												\$ 78,076.00	\$ 78,076.00	
												\$ 72,738.00	\$ 72,738.00	
												\$ 1,493.64	\$ 1,493.64	
												\$ 44,749.00	\$ 44,749.00	
												\$ 23,715.00	\$ 23,715.00	
												\$ 38,327.00	\$ 38,327.00	
												\$ 2,572.00	\$ 2,572.00	
												\$ 26,614.00	\$ 26,614.00	
												\$ 3,412,862.00	\$ 3,412,862.00	
												\$ 3,384,854.00	\$ 3,384,854.00	
												\$ 160,396.00	\$ 160,396.00	
												\$ 20,534.35	\$ 20,534.35	
												\$ 18,940.77	\$ 18,940.77	
												\$ 8,202.00	\$	

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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, 2023

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the 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, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
 NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
 FINANCIAL ASSISTANCE
 YEAR ENDED JUNE 30, 2023 (Continued)**

Note 3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$164,335.20) for the general fund and \$1,446,801.70 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	\$ 136,923.94	\$ 14,993,881.04	\$ 15,130,804.98
Special Revenue Fund	5,324,198.55	3,451,148.64	8,775,347.19
Debt Service Fund	-	160,396.00	160,396.00
Food Service Fund	915,007.62	30,728.35	945,735.97
Total Awards & Financial Assistance	<u>\$ 6,376,130.11</u>	<u>\$ 18,636,154.03</u>	<u>\$ 25,012,284.14</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, 2023.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	<u>Unmodified</u>	
Internal control over financial reporting:		
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
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D	S425D200027/S425 D210027	Education Stabilization Fund (ESF)
84.425U	S425U210027	Education Stabilization Fund (ESF)

Dollar threshold used to determine Type A programs	<u>\$</u>	<u>750,000.00</u>
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Auditee qualified as low-risk auditee?	<u> X </u> yes	<u> </u> no
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**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

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

State Financial Assistance

Dollar threshold used to determine Type A programs	\$	750,000.00
Auditee qualified as low-risk auditee?	<u> X </u>	yes <u> </u> no
Internal control over major programs:		
1) Material weakness(es) identified?	<u> </u>	yes <u> X </u> no
2) Significant deficiency(ies) identified?	<u> </u>	yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs		Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?		
	<u> </u>	yes <u> X </u> no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
	State Aid Public:
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-078	Equalization Aid
495-034-5120-128	Supplemental Stabilization Aid
495-034-5094-003	Reimbursed TPAF Social Security Contributions

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section II - Financial Statement Findings

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

None.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

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

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

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**RED BANK BOROUGH PUBLIC SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2023**

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.