

**RED BANK REGIONAL HIGH SCHOOL DISTRICT**

Little Silver, New Jersey  
County of Monmouth

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



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE  
RED BANK REGIONAL HIGH SCHOOL DISTRICT  
LITTLE SILVER, NEW JERSEY**

**YEAR ENDED JUNE 30, 2023**

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



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**INTRODUCTORY SECTION**

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## RED BANK REGIONAL HIGH SCHOOL

OUR MISSION: TO ENSURE THE ACADEMIC SUCCESS & PERSONAL GROWTH OF ALL STUDENTS WHILE DEVELOPING IN THEM A PASSION FOR LEARNING.

November 9, 2023

Honorable President and  
Members of the Board of Education  
Red Bank Regional High School District  
Little Silver, New Jersey 07739

Dear Members of the Board of Education:

I am pleased to submit The Annual Comprehensive Financial Report of the Red Bank Regional High 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 and understand 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, 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 No. 14, amended by GASB Statements No. 39, 61, 80, and 97. All funds of the District are included in this report. The Red Bank Regional High School District and its high school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12 including general education, special education and vocational education programs.

***OVER 100 YEARS OF ACADEMIC EXCELLENCE***

The following details the changes in the student enrollment of the District over the last ten years:

<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent Change</b>
2022-2023	1303	2.60%
2021-2022	1270	-0.31%
2020-2021	1274	2.08%
2019-2020	1248	3.31%
2018-2019	1208	3.23%
2017-2018	1216	3.23%
2016-2017	1178	-1.09%
2015-2016	1191	-1.57%
2014-2015	1210	3.86%
2013-2014	1165	-1.27%

The District projects that the enrollment for the 2023-2024 school year will be stable.

**2. ECONOMIC CONDITION AND OUTLOOK:**

Local, state, and federal economic conditions continue to create economic challenges and uncertainty for the school district. The 2023-2024 School Budget as approved by the Board of Education in April 2023 which provides for a thorough and efficient education, although that is becoming more and more difficult with each passing year given P.L. 2018, Chapter 67 (known as ‘S2’). The overall tax levy increase with the 2023-2024 budget was 4.37% or \$1,121,110 which included a 2% CAP plus a 0.557% enrollment waiver and a 1.81% health benefit waiver. It should be noted what given the Department of Educations’ allocation of taxes between the constituent municipalities in the regional district being based on equalized valuation, even smaller percentages changes in the largest ratable base can have a significant impact on the tax allocation for the other communities in the district.

The District continues to be concerned about the status of the economy and the fiscal health of the State of New Jersey. The State again delayed the payment of the final two State Aid payments for the year, totaling \$154,717 as of June 30, 2023. Although the District will continue to strive to find fiscal efficiencies in all aspects of our operations, we remain concerned about our levels of surplus and reserves and the impact of the 2% annual property tax levy cap, and most notably the impact of current and future allocations of State Aid.

The major funding source for the operating budget continues to be the local tax levy. The local tax levy funded 81.42% of the 2022-2023 budget. The reliance on the local taxpayers to fund the majority of the district’s budget will likely continue under the provisions of the School Funding Reform Act of 2008. According to the NJ Department of Education, Office of School Funding, the District’s tax levy exceeds the Local Fair Share and the district’s total budget exceeds the “adequacy model” used to calculate state aid.

The school building began construction in 1972 and opened for the first time for the 1975-1976 school year. The School facility is aging and requires additional maintenance every year. Renovations and additions have been completed throughout the years, most recently referendum projects listed below. Although the new additions to the school have improved the facilities, there are still many areas that need updating and improvement.

### **3. MAJOR INITIATIVES:**

The Red Bank Regional High District continued to expand the use of educational technology to increase student engagement and academic success. Major activities in support of this goal included the continuation of a full 1:1 program for grade 9-12 as well as connectivity for our students. The District has developed a unified professional development goal for all staff.

A referendum on two additions plus renovations to the high school, roof replacement, HVAC replacement, new turf and football stadium improvements was overwhelmingly pass of December 2018. It is anticipated the projects will be completed in the 2024-2025 school year, baring supply chain issues which still result from the COVID Pandemic.

### **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 prove 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 judgements 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 a 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 compiled 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 Regional 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 year end. The Business Administrator and the Superintendent meet with the Finance Committee regularly to review the school budget and areas of concern.

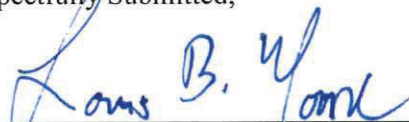
**6. ACCOUNTING SYSTEM AND REPORTS:** The District’s accounting records reflect generally accepted accounting principles as promulgated by the Government Accounting Standards Board (GASB). The accounting system of the District is organized based on funds and account groups. These funds and account groups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

**7. OTHER INFORMATION:** Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of 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 the 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 audit section of this report.

**8. CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING AWARD:** The district received the Certificate of Excellence in Financial Reporting Award from the Association of School Business Officials International for the June 30, 2020, June 30, 2021 and June 30, 2022 Annual Comprehensive Financial Reports.

**9. ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Red Bank Regional High School District 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.

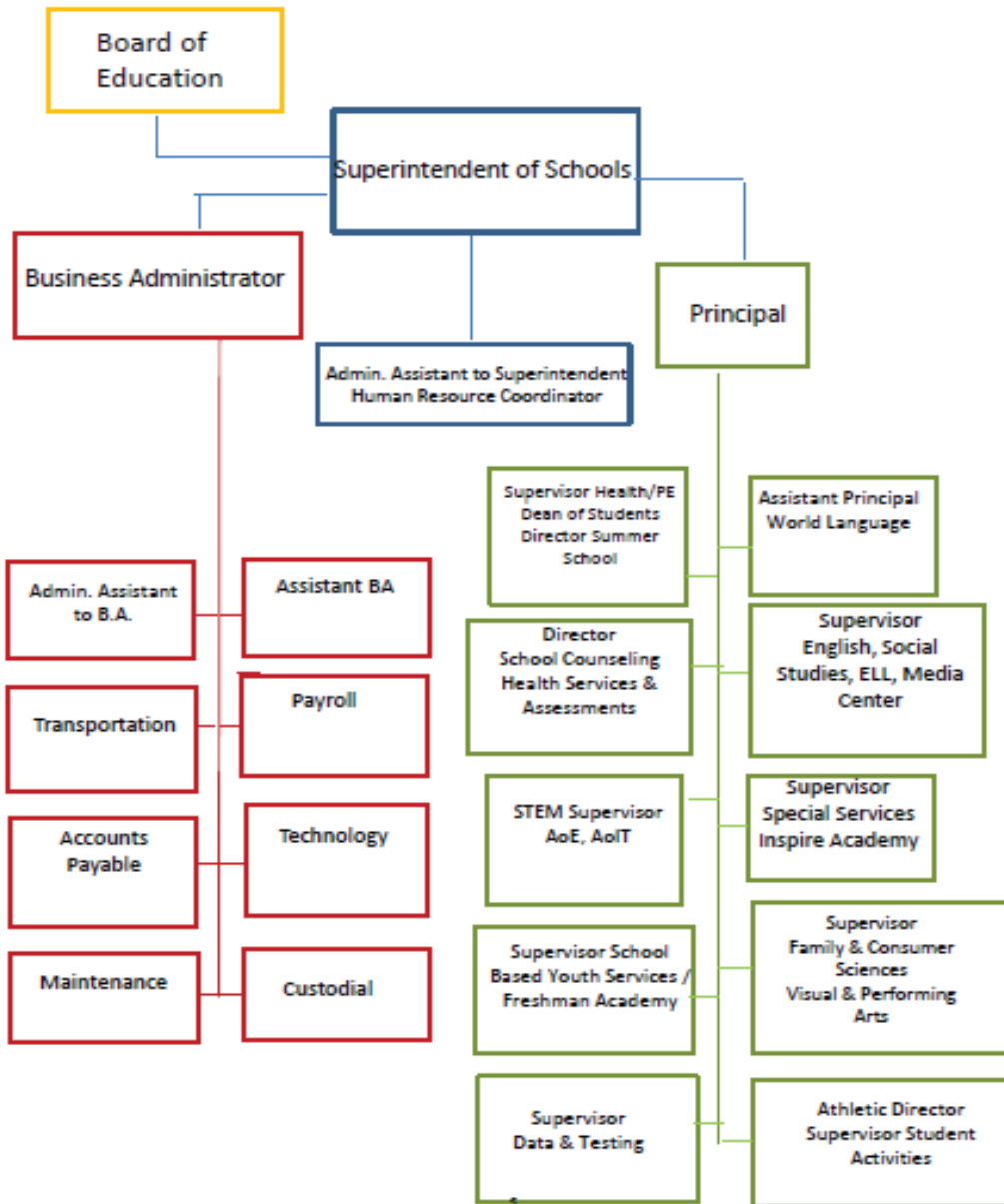
Respectfully Submitted,



\_\_\_\_\_  
Louis B. Moore, Ph.D.  
Superintendent

\_\_\_\_\_  
Debra Pappagallo  
Business Administrator/Board Secretary

**RED BANK REGIONAL  
ADMINISTRATIVE CHART**



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**RED BANK REGIONAL HIGH SCHOOL DISTRICT  
LITTLE SILVER, NEW JERSEY  
ROSTER OF OFFICIALS  
JUNE 30, 2023**

**Members of the Board of Education**

**TERM EXPIRES**

Patrick Noble - President	2024
Tara Gibb - Vice President	2024
Randy Mendelson	2024
Jennifer Lipp	2023
Scott McBride	2023
Emily Doherty	2025
John Garofalo	2025
Memone Crystian	2025
John Venino	2023

**Other Officials**

Louis B. Moore, PH. D., Superintendent of Schools

Debra Pappagallo, School Business Administrator/Board Secretary

Athina Cornell, Esq., Board Attorney

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**RED BANK REGIONAL HIGH SCHOOL DISTRICT  
LITTLE SILVER, NEW JERSEY  
CONSULTANTS AND ADVISORS  
JUNE 30, 2023**

**AUDITOR/AUDIT FIRM**

Robert W. Allison, CPA, PSA  
Holman Frenia Allison, P. C.  
1985 Cedar Bridge Ave., Suite 3  
Lakewood, NJ 08701

**ATTORNEY**

Athina Cornell, Esq.  
Cornell, Merlino, McKeever & Osbourne, LLC.  
238 St. Paul Steet  
Westfield, New Jersey 07090

**OFFICIAL DEPOSITORY**

TD Bank  
568 River Road  
Fair Haven, New Jersey 07704

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ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## Red Bank Regional High 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 and is positioned above a horizontal line.

John W. Hutchison  
President

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

Siobhán McMahon, CAE  
Chief Operations Officer/  
Interim Executive Director

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**FINANCIAL SECTION**

Second Section

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Certified Public Accountants + Advisors

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Red Bank Regional High School District  
County of Monmouth  
Little Silver, NJ 07739

### 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 Regional High 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 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 November 9, 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.

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

Lakewood, New Jersey  
November 9, 2023

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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# RED BANK REGIONAL HIGH SCHOOL DISTRICT

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

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

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

### FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- In total, net position of governmental activities increased \$2,590,112, which represents a 10% increase from 2022. Total net position of business-type activities increased \$16,656, which represents an increase of 9% from 2022.
- General revenues accounted for \$29,842,963 in revenue or 68% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$13,923,405 or 32% of total revenues of \$43,766,368.
- Total assets of governmental activities increased by \$938,009 as cash and cash equivalents decreased by \$1,077,099, receivables decreased by \$26,787, restricted cash and cash equivalents increased by \$2,106,421 and total capital assets decreased by \$64,526.
- Total liabilities of governmental activities decreased by \$14,776 as long term liabilities decreased by \$133,635.
- In the governmental funds, the general fund had \$37,761,982 in revenues and \$36,220,966 in expenditures. The general fund's fund balance increased by \$1,541,016 over 2022.

## USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

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

**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>
<b>Assets</b>				
Current and Other				
Assets	\$ 20,431,197	\$ 19,428,662	\$ 170,150	\$ 166,561
Capital Assets, Net	33,913,047	33,977,573	37,906	28,504
Total Assets	<u>54,344,244</u>	<u>53,406,235</u>	<u>208,056</u>	<u>195,065</u>
<b>Deferred Outflows of Resources</b>				
Deferred Outflows				
Relating to Pension	928,741	990,299	-	-
Total Assets and Deferred Outflows of Resources	<u>928,741</u>	<u>990,299</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>				
Long-Term Liabilities	23,418,676	23,270,041	-	-
Other Liabilities	1,120,326	1,283,737	4,855	8,520
Total Liabilities	<u>24,539,002</u>	<u>24,553,778</u>	<u>4,855</u>	<u>8,520</u>
<b>Deferred Inflows of Resources</b>				
Deferred Inflows				
Relating to Pension	1,223,041	2,921,926	-	-
Total Liabilities and Deferred Inflows of Resources	<u>1,223,041</u>	<u>2,921,926</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>				
Net Investment in				
Capital Assets	15,858,047	15,177,573	37,906	28,504
Restricted	15,987,891	14,741,679	-	-
Unrestricted	(2,334,996)	(2,998,422)	165,295	158,041
Total Net Position	<u>\$ 29,510,942</u>	<u>\$ 26,920,830</u>	<u>\$ 203,201</u>	<u>\$ 186,545</u>

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

Restricted net position increased \$1,246,212 from the prior year to \$15,987,891 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 (\$2,334,996) 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.

	<b><u>June 30, 2023</u></b>		
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>Revenues:</b>			
Program Revenues:			
Charges for Services	\$ 3,461,172	\$ 265,993	\$ 3,727,165
Operating Grants and Contributions	9,911,151	285,089	10,196,240
General Revenues:			
Property Taxes	26,789,246	-	26,789,246
Federal and State Aid	2,376,868	-	2,376,868
Miscellaneous	676,849	-	676,849
Total Revenues	<u>43,215,286</u>	<u>551,082</u>	<u>43,766,368</u>
<b>Expenses:</b>			
Instructional Services	23,592,275	-	23,592,275
Support Services	16,276,903	534,426	16,811,329
Interest and Other Charges	755,996	-	755,996
Total Expenses	<u>40,625,174</u>	<u>534,426</u>	<u>41,159,600</u>
Change in Net Position	2,590,112	16,656	2,606,768
Net Position, Beginning	26,920,830	186,545	27,107,375
Net Position, Ending	<u>\$ 29,510,942</u>	<u>\$ 203,201</u>	<u>\$ 29,714,143</u>

	<b><u>June 30, 2022</u></b>		
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>Revenues:</b>			
Program Revenues:			
Charges for Services	\$ 3,427,621	\$ 135,466	\$ 3,563,087
Operating Grants and Contributions	11,285,883	437,597	11,723,480
General Revenues:			
Property Taxes	26,829,740	-	26,829,740
Federal and State Aid	2,264,811	-	2,264,811
Miscellaneous	330,228	-	330,228
Total Revenues	<u>44,138,283</u>	<u>573,063</u>	<u>44,711,346</u>
<b>Expenses:</b>			
Instructional Services	23,230,878	-	23,230,878
Support Services	15,417,560	536,720	15,954,280
Interest and Other Charges	796,036	-	796,036
Total Expenses	<u>39,444,474</u>	<u>536,720</u>	<u>39,981,194</u>
Change in Net Position	4,693,809	36,343	4,730,152
Net Position, Beginning	22,227,021	150,202	22,377,223
Net Position, Ending	<u>\$ 26,920,830</u>	<u>\$ 186,545</u>	<u>\$ 27,107,375</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, capital projects 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	\$ 13,891,211	34%	\$ 630,596	5%
Undistributed	23,668,979	59%	1,823,549	8%
Capital Outlay	1,228,652	3%	(710,688)	-37%
Debt Service:				
Principal	745,000	2%	(470,000)	-39%
Interest	768,413	2%	(52,900)	-6%
<b>Total</b>	<b>\$ 40,302,255</b>	<b>100%</b>	<b>\$ 1,220,557</b>	<b>3%</b>

	<u>June 30, 2022</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2021	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 13,260,615	34%	\$ 956,350	8%
Undistributed	21,845,430	56%	2,447,107	13%
Capital Outlay	1,939,340	5%	(7,359,125)	-79%
Debt Service:				
Principal	1,215,000	3%	540,000	80%
Interest	821,313	2%	(412,951)	-33%
<b>Total</b>	<b>\$ 39,081,698</b>	<b>100%</b>	<b>\$ (3,828,619)</b>	<b>-9%</b>

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

**General Fund Budgetary Highlights**

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

Significant Budget Transfers and Variations:

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

Based on the financial results of 2022-2023 unassigned fund balance decreased by \$251,507 to \$908,267 (4% required per S-1701, net of allowable adjustments).

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

The Food Services Enterprise Fund showed a change in net position of \$16,656 in 2022-2023 as compared to a change in net position of \$36,343 in 2021-2022. The food service fund required no contributions from the Board in 2022-2023.

**Capital Assets**

At June 30, 2023 the District has capital assets of \$33,950,953, 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	\$ 5,379,640	\$ -
Construction In Progress	10,625,999	-
Land Improvements	2,823,691	-
Buildings/Construction	13,496,032	-
Machinery and Equipment	1,587,685	37,906
Total	<u>\$ 33,913,047</u>	<u>\$ 37,906</u>
	<u>June 30, 2022</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 5,379,640	\$ -
Construction In Progress	10,207,624	-
Land Improvements	2,662,496	-
Buildings/Construction	13,947,219	-
Machinery and Equipment	1,780,594	28,504
Total	<u>\$ 33,977,573</u>	<u>\$ 28,504</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**

The District has 18 years remaining on MCIA Bonds with an unpaid principal balance of \$18,055,000. The district has a compensated absence liability of \$125,073.

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**

- The Red Bank Regional High School District is in very good financial condition presently earning an AA bond rating from Standard and Poor's in August 2019. A major concern is the funding mechanism for state aid to education that causes an increased reliance on local property taxes. The Red Bank Regional constituent towns (Little Silver, Red Bank and Shrewsbury) are primarily residential communities, with comparatively few commercial ratables; thus the burden is focused on homeowners to foot the tax burden.
- The Board of Education and Administration annually conduct a review of cost centers in the District to determine where costs savings may be effectuated. Additionally, the District continues to add to the number of shared services agreements with other local school districts and municipalities that will result in cost savings to the residents of the District.
- The Board and administration remain extremely sensitive to the financial concerns of the taxpayers, particularly those on fixed incomes, and will be diligently searching for alternate sources of revenue and cost reductions. Consistent with this concern, the District utilizes a five-year budget model that assesses the tactical and strategic impact that legislative changes and operational efficiencies place upon the District's future year budgets.
- In general, the Red Bank Regional Board of Education has consistently committed itself to sound, conservative fiscal management, providing the most efficient and effective education possible given the demands and challenges associated with the need to improve students' academic performances, and there is no reason to believe that this commitment will not continue as the District moves forward.

### **Requests for Information**

The financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions on this report or need additional financial information, please contact School Business Administrator/Board Secretary at Red Bank Regional Board of Education, 101 Ridge Road, Little Silver, NJ 07739.

**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**RED BANK REGIONAL HIGH SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS:</b>			
Cash & Cash Equivalents	\$ 9,592,760	\$ 149,693	\$ 9,742,453
Receivables, Net (Note 4)	993,555	7,776	1,001,331
Inventory	-	12,681	12,681
Restricted Cash & Cash Equivalents	9,844,882	-	9,844,882
Capital Assets, Net (Note 5)			
Non-Depreciable	16,005,639	-	16,005,639
Depreciable	17,907,408	37,906	17,945,314
Total Assets	54,344,244	208,056	54,552,300
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	928,741	-	928,741
Total Deferred Outflow of Resources	928,741	-	928,741
<b>LIABILITIES:</b>			
Due to Other Governments	415,957	-	415,957
Unearned Revenue	114,994	4,855	119,849
Accrued Interest	297,688	-	297,688
Payroll Deductions and Withholdings	245,347	-	245,347
Unemployment Trust Liability	46,340	-	46,340
Noncurrent Liabilities (Note 7):			
Due Within One Year	775,000	-	775,000
Due in More Than One Year	22,643,676	-	22,643,676
Total Liabilities	24,539,002	4,855	24,543,857
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	1,223,041	-	1,223,041
Total Deferred Inflow of Resources	1,223,041	-	1,223,041
<b>NET POSITION:</b>			
Net Investment in Capital Assets	15,858,047	37,906	15,895,953
Restricted for:			
Capital Projects	10,584,178	-	10,584,178
Debt Service	1	-	1
Maintenance Reserve	1,578,148	-	1,578,148
Unemployment Compensation	103,522	-	103,522
Scholarships	3,220,987	-	3,220,987
Student Activities	149,211	-	149,211
Excess Surplus	351,844	-	351,844
Unrestricted (Deficit)	(2,334,996)	165,295	(2,169,701)
Total Net Position	\$ 29,510,942	\$ 203,201	\$ 29,714,143

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

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 18,815,639	\$ 3,315,257	\$ 6,951,746	\$ -	\$ (8,548,636)	\$ -	\$ (8,548,636)
Special Education Instruction	2,350,087	-	713,896	-	(1,636,191)	-	(1,636,191)
Other Instruction	2,426,549	-	737,123	-	(1,689,426)	-	(1,689,426)
Support Services:							
Tuition	2,081,646	-	111,255	-	(1,970,392)	-	(1,970,392)
Student & Instruction Related Services	4,846,148	-	897,465	-	(3,948,684)	-	(3,948,684)
General Administrative	875,171	-	46,774	-	(828,398)	-	(828,398)
School Administrative Services	817,382	-	43,685	-	(773,697)	-	(773,697)
Central Services	694,759	-	37,132	-	(657,627)	-	(657,627)
Administrative Info. Technology	298,208	-	15,938	-	(282,270)	-	(282,270)
Plant Operations & Maintenance	3,947,145	-	210,957	-	(3,736,188)	-	(3,736,188)
Pupil Transportation	2,716,444	145,915	145,182	-	(2,425,348)	-	(2,425,348)
Interest & Other Charges	755,997	-	-	-	(755,997)	-	(755,997)
Total Governmental Activities	40,625,175	3,461,172	9,911,151	-	(27,252,851)	-	(27,252,851)
Business-Type Activities:							
Food Service	534,426	265,993	285,089	-	-	16,656	16,656
Total Business-Type Activities	534,426	265,993	285,089	-	-	16,656	16,656
Total Primary Government	\$ 41,159,601	\$ 3,727,165	\$ 10,196,240	\$ -	\$ (27,252,851)	\$ 16,656	\$ (27,236,195)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					25,645,688	-	25,645,688
Property Taxes, Levied for Debt Service					1,143,558	-	1,143,558
Federal & State Aid Restricted					325,892	-	325,892
Federal & State Aid Not Restricted					2,050,976	-	2,050,976
Miscellaneous					676,849	-	676,849
Total General Revenues					29,842,963	-	29,842,963
Change In Net Position					2,590,112	16,656	2,606,768
Net Position - Beginning					26,920,830	186,545	27,107,375
Net Position - Ending					\$ 29,510,942	\$ 203,201	\$ 29,714,143

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 REGIONAL HIGH 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	
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 2,910,792	\$ 3,072,434	\$ 3,609,533	\$ 1	\$ 9,592,760
Receivables, Net:					
Due from Other Governments:					
Federal	-	345,231	-	-	345,231
State	505,420	4,644	-	-	510,064
Other	135,810	-	-	-	135,810
Other Accounts Receivable	-	2,450	-	-	2,450
Restricted Cash & Cash Equivalents	9,844,882	-	-	-	9,844,882
<b>Total Assets</b>	<b>\$ 13,396,904</b>	<b>\$ 3,424,759</b>	<b>\$ 3,609,533</b>	<b>\$ 1</b>	<b>\$ 20,431,197</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
<b>Liabilities:</b>					
<b>Intergovernmental Payable:</b>					
State	\$ -	\$ 16,079	\$ -	\$ -	\$ 16,079
Unearned Revenue	76,513	38,482	-	-	114,995
Unemployment Trust Liability	46,340	-	-	-	46,340
Payroll Deductions and Withholdings	245,347	-	-	-	245,347
<b>Total Liabilities</b>	<b>368,200</b>	<b>54,561</b>	<b>-</b>	<b>-</b>	<b>422,761</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve	8,163,212	-	-	-	8,163,212
Maintenance Reserve	1,578,148	-	-	-	1,578,148
Excess Surplus	351,844	-	-	-	351,844
Reserve for Unemployment Claims	103,522	-	-	-	103,522
Capital Projects	-	-	2,420,966	-	2,420,966
Debt Service	-	-	-	1	1
Scholarships	-	3,220,987	-	-	3,220,987
Student Activities	-	149,211	-	-	149,211
<b>Committed to:</b>					
Other Purposes	-	-	1,188,567	-	1,188,567
<b>Assigned to:</b>					
Designated for					
Subsequent Year	667,043	-	-	-	667,043
Other Purposes	1,256,668	-	-	-	1,256,668
Unassigned	908,267	-	-	-	908,267
<b>Total Fund Balances</b>	<b>13,028,704</b>	<b>3,370,198</b>	<b>3,609,533</b>	<b>1</b>	<b>20,008,436</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 13,396,904</b>	<b>\$ 3,424,759</b>	<b>\$ 3,609,533</b>	<b>\$ 1</b>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$62,546,511 and the accumulated depreciation is \$28,633,464.	33,913,047
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows Related to Pensions	928,741
Deferred Inflows Related to Pensions	(1,223,041)
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.	(297,688)
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.	(399,878)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(23,418,676)
<b>Net Position of Governmental Activities</b>	<b>\$ 29,510,942</b>

**RED BANK REGIONAL HIGH 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	\$ 25,645,688	\$ -	\$ -	\$ 1,143,558	\$ 26,789,246
Tuition Charges	3,315,257	-	-	-	3,315,257
Transportation Charges	145,915	-	-	-	145,915
Miscellaneous	364,860	328,785	-	-	693,645
Total Local Sources	29,471,720	328,785	-	1,143,558	30,944,063
State Sources	8,271,389	790,316	-	325,892	9,387,597
Federal Sources	18,873	1,067,388	-	-	1,086,261
Total Revenues	37,761,982	2,186,489	-	1,469,450	41,417,921
Expenditures:					
Instruction:					
Regular Instruction	9,842,672	1,236,040	-	-	11,078,712
Special Education Instruction	1,383,739	-	-	-	1,383,739
Other Instruction	1,428,760	-	-	-	1,428,760
Support Services:					
Tuition	1,666,375	-	-	-	1,666,375
Attendance & Social Work Services	366,015	-	-	-	366,015
Health Services	131,730	-	-	-	131,730
Student & Instruction Related Services	2,437,269	944,368	-	-	3,381,637
General Administrative	700,582	-	-	-	700,582
School Administrative Services	654,321	-	-	-	654,321
Central Services	556,160	-	-	-	556,160
Administrative Information Technology	238,718	-	-	-	238,718
Plant Operations & Maintenance	3,159,722	-	-	-	3,159,722
Pupil Transportation	2,174,536	-	-	-	2,174,536
Unallocated Benefits	4,399,897	-	-	-	4,399,897
On Behalf TPAF Pension and Social Security Contributions	6,239,286	-	-	-	6,239,286
Capital Outlay	802,121	-	426,531	-	1,228,652
Debt Service:					
Principal	-	-	-	745,000	745,000
Interest & Other Charges	39,063	-	-	729,350	768,413
Total Expenditures	36,220,966	2,180,408	426,531	1,474,350	40,302,255
Excess/(Deficiency) of Revenues Over Expenditures	1,541,016	6,081	(426,531)	(4,900)	1,115,666
Net Changes in Fund Balances	1,541,016	6,081	(426,531)	(4,900)	1,115,666
Fund Balance, July 1	11,487,688	3,364,117	4,036,064	4,901	18,892,770
Fund Balance, June 30	\$ 13,028,704	\$ 3,370,198	\$ 3,609,533	\$ 1	\$ 20,008,436

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

**RED BANK REGIONAL HIGH 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)	\$	1,115,666
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	\$	(1,293,178)
Capital Outlays		<u>1,228,652</u>
		(64,526)
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.		
		795,160
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.		
		745,000
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		
		12,417
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>(13,605)</u>
Change in Net Position of Governmental Activities	\$	<u><u>2,590,112</u></u>

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## **Proprietary Funds**

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**EXHIBIT B-4**

**RED BANK REGIONAL HIGH SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2023**

		<u>MAJOR FUNDS</u> <u>BUSINESS-TYPE</u> <u>ACTIVITIES -</u> <u>ENTERPRISE</u> <u>FUNDS</u> <u>FOOD</u> <u>SERVICE</u>
<b>ASSETS</b>		
Current Assets:		
Cash & Cash Equivalents	\$	149,693
Accounts Receivable:		
Federal		6,053
State		227
Other Receivables		1,496
Inventories		12,681
Total Current Assets		<u>170,150</u>
Noncurrent Assets:		
Capital Assets		185,322
Less: Accumulated Depreciation		<u>(147,416)</u>
Total Capital Assets, Net		<u>37,906</u>
Total Noncurrent Assets		<u>37,906</u>
Total Assets		<u>208,056</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Unearned Revenue		<u>4,855</u>
Total Current Liabilities		<u>4,855</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets		37,906
Unrestricted		<u>165,295</u>
Total Net Position	<u>\$</u>	<u>203,201</u>

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

**EXHIBIT B-5**

**RED BANK REGIONAL HIGH SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 YEAR ENDED JUNE 30, 2023**

	<b>MAJOR FUNDS</b>	
	<b>ENTERPRISE</b>	
	<b>FUNDS</b>	
	<b>FOOD</b>	
	<b>SERVICE</b>	
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$	81,539
Daily Sales - Non-Reimbursable Programs		155,050
Special Functions		1,958
Satellite Sales		27,446
		<hr/>
Total Operating Revenues		265,993
		<hr/>
Operating Expenses:		
Cost of Sales - Reimbursable Programs		165,658
Cost of Sales - Non-Reimbursable Programs		80,576
Salaries		62,132
Employee Benefits		4,753
FICA		5,956
Supplies and Materials		1,004
Depreciation		6,754
Purchased Technical Services		174,533
Management and Administrative Fees		33,060
		<hr/>
Total Operating Expenses		534,426
		<hr/>
Operating Income/(Loss)		(268,433)
		<hr/>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program		6,014
State School Breakfast Program		433
Federal Sources:		
National School Lunch Program		145,889
National School Breakfast Program		17,194
Food Distribution Program		40,273
Federal Supply Chain Assistance Funding		71,021
Interest Revenue		4,265
		<hr/>
Total Nonoperating Revenues/(Expenses)		285,089
		<hr/>
Change in Net Position		16,656
Total Net Position - Beginning		186,545
		<hr/>
Total Net Position - Ending	\$	<u>203,201</u>

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



EXHIBIT B-6

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 2023

	<u>MAJOR FUNDS</u>
	<u>BUSINESS-TYPE</u>
	<u>ACTIVITIES -</u>
	<u>ENTERPRISE</u>
	<u>FUNDS</u>
	<u>FOOD</u>
	<u>SERVICE</u>
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 274,895
Payments to Employees	(62,132)
Payments for Employee Benefits	(4,753)
Payments to Suppliers	<u>(425,910)</u>
Net Cash Provided by/(Used for) Operating Activities	<u>(217,900)</u>
Cash Flows From Noncapital Financing Activities:	
State Sources	6,447
Federal Sources	<u>234,104</u>
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>240,551</u>
Cash Flows From Capital Financing Activities:	
Purchase of Capital Assets	<u>(16,156)</u>
Net Cash Provided by/(Used for) Capital Financing Activities	<u>(16,156)</u>
Cash Flows From Investing Activities:	
Interest	<u>4,265</u>
Net Cash Provided by/(Used for) Investing Activities	<u>4,265</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	10,760
Balances - Beginning of Year	<u>138,933</u>
Balances - End of Year	<u>\$ 149,693</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:</b>	
Operating Income/(Loss)	\$ (268,433)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Depreciation	6,754
Food Distribution Program	40,273
(Increase)/Decrease in Accounts Receivable, Net	12,567
(Increase)/Decrease in Inventories	(5,396)
Increase/(Decrease) in Unearned Revenue	<u>(3,665)</u>
Total Adjustments	<u>50,533</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (217,900)</u>

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 REGIONAL HIGH SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**RED BANK REGIONAL HIGH 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 Regional High 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 grade levels 9 through 12. These include regular, vocational, as well as special education. The School District has an approximate enrollment at June 30, 2023 of 1,303 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 REGIONAL HIGH 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 REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

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

**B. Governmental Fund Financial Statements (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 finance purchases 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 REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

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

**B. Governmental Fund Financial Statements (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, finance purchases, 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 REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

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

**C. Proprietary Fund Financial Statements (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.

**Budgets/Budgetary Control**

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

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

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

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

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

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

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

**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.

**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.

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

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

**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.

**Capital Assets**

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

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

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

**Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

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

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.

**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.

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

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

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.

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

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

**Fund Balance (Continued)**

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

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

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

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

**Net Position**

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

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

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

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

**Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and November 9, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.



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

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

**Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

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

Statement No. 96, Subscription-Based Information Technology Arrangements

Statement No. 99, Omnibus 2022

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

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62.

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

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

**Note 2. Deposits and Investments**

**Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2023, the School District’s bank balance of \$20,401,701 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	16,568,319
Uninsured and Uncollateralized		3,833,382
		3,833,382
Total	\$	20,401,701

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

**Note 3. Reserve Accounts**

Capital Reserve

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance, July 1, 2022	\$	6,059,345
Increased by:		
Interest Earnings		103,867
Transfer from Capital Projects		
Deposits Approved by Board		2,000,000
		2,000,000
Ending Balance, June 30, 2023	\$	8,163,212

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	\$	1,578,148
Increased by:		
Interest Earnings		33,052
Deposits Approved by Board		316,948
		350,000
		1,928,148
Decreased by:		
Budget Withdrawals		(350,000)
Ending Balance, June 30, 2023	\$	1,578,148

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

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

Unemployment Reserve

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

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

Beginning Balance, July 1, 2022	\$	100,968
Increased by:		
Interest Earnings		2,554
Ending Balance, June 30, 2023	\$	103,522

**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	\$ -	\$ 345,231	\$ 345,231
State Awards	505,420	4,644	510,064
Tuition	135,810	-	135,810
Other	-	2,450	2,450
Total	\$ 641,230	\$ 352,325	\$ 993,555
		Proprietary Funds	
		Food Service Fund	Total Business-Type Activities
Federal Awards		\$ 6,053	\$ 6,053
State Awards		227	227
Other		1,496	1,496
Total		\$ 7,776	\$ 7,776

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

**Note 5. Capital Assets**

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

	Governmental Activities			
	Balance July 1, 2022	Additions	Retirements and Transfers	Balance June 30, 2023
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 5,379,640	\$ -	\$ -	\$ 5,379,640
Construction in Progress	10,207,625	426,531	(8,157)	10,625,999
Total Capital Assets not being depreciated	<u>15,587,265</u>	<u>426,531</u>	<u>(8,157)</u>	<u>16,005,639</u>
Capital Assets being depreciated:				
Site Improvements	5,214,555	557,235	8,157	5,779,947
Buildings and Improvements	34,878,249	65,355	-	34,943,604
Equipment	5,730,245	179,530	(92,454)	5,817,321
Total Capital Assets being depreciated	<u>45,823,049</u>	<u>802,120</u>	<u>(84,297)</u>	<u>46,540,872</u>
Less: Accumulated Depreciation:				
Site Improvements	(2,552,059)	(404,196)	-	(2,956,255)
Buildings and Improvements	(20,931,030)	(516,543)	-	(21,447,573)
Equipment	(3,949,651)	(372,439)	92,454	(4,229,636)
Total Accumulated Depreciation	<u>(27,432,740)</u>	<u>(1,293,178)</u>	<u>92,454</u>	<u>(28,633,464)</u>
Total Capital Assets being depreciated, net	<u>18,390,309</u>	<u>(491,058)</u>	<u>8,157</u>	<u>17,907,408</u>
Total Governmental Activities Capital Assets, net	<u>\$ 33,977,574</u>	<u>\$ (64,527)</u>	<u>\$ -</u>	<u>\$ 33,913,047</u>
	Business-Type Activities			
	Balance July 1, 2022	Additions	Retirements and Transfers	Balance June 30, 2023
<b>Business-Type Activities:</b>				
Capital Assets being depreciated:				
Equipment	\$ 169,166	\$ 16,156	\$ -	\$ 185,322
Total Capital Assets being depreciated	<u>169,166</u>	<u>16,156</u>	<u>-</u>	<u>185,322</u>
Less: Accumulated Depreciation:				
Equipment	(140,662)	(6,754)	-	(147,416)
Total Capital Assets being depreciated, net	<u>(140,662)</u>	<u>(6,754)</u>	<u>-</u>	<u>(147,416)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 28,504</u>	<u>\$ 9,402</u>	<u>\$ -</u>	<u>\$ 37,906</u>

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

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

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

Governmental Activities

Instruction:

Regular Instruction	\$	530,413
Special Education Instruction		66,249
Other Instruction		68,404

Support Services:

Tuition		79,781
Student & Instruction Related Services		190,019
General Administrative		33,542
School Administrative Services		31,327
Central Services		26,627
Administrative Info. Technology		11,429
Plant Operations & Maintenance		151,277
Pupil Transportation		104,110

Total Depreciation Expense - Governmental Activities	\$	<u>1,293,178</u>
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**Note 6. Interfund Receivables, Payables and Transfers**

There were no interfund receivables and payables that exist as of June 30, 2023.

There were no interfund transfers during the 2022-2023 year.

**RED BANK REGIONAL HIGH 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	\$ 18,800,000	\$ -	\$ 745,000	\$ 18,055,000	\$ 775,000
Compensated Absences	111,468	18,982	5,378	125,072	-
Net Pension Liability	4,358,573	3,093,370	2,213,340	5,238,603	-
	<u>\$ 23,270,041</u>	<u>\$ 3,112,352</u>	<u>\$ 2,963,718</u>	<u>\$ 23,418,675</u>	<u>\$ 775,000</u>

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

**Bonds Payable**

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

On July 23, 2019, the School District issued \$19,450,000 of Monmouth County Improvement Bonds. The Monmouth County Improvement Bonds were issued at varying rates of interest of 3.00% to 4.00% and mature on August 1, 2039.

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 775,000	\$ 702,825	\$ 1,477,825
2025	800,000	675,200	1,475,200
2026	835,000	642,500	1,477,500
2027	865,000	608,500	1,473,500
2028	900,000	573,200	1,473,200
2029-2033	5,100,000	2,282,000	7,382,000
2034-2038	6,180,000	1,154,400	7,334,400
2039-2040	2,600,000	104,000	2,704,000
	<u>\$ 18,055,000</u>	<u>\$ 6,742,625</u>	<u>\$ 24,797,625</u>

**Bonds Authorized but not Issued**

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

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

**Note 8. Pension Plans**

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

**Plan Description** - The State of New Jersey (the State), Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to 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 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/(Credit) and Deferred Outflows/Inflows of Resources** - At June 30, 2023, the School District reported a liability of \$5,238,603 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 0.034712559%, which was a decrease of 0.0020795225% from its proportion measured as of June 30, 2021.

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

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

For the year ended June 30, 2023, the School District recognized full accrual pension credit of (\$341,670) in the government-wide financial statements. This pension credit was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 37,810	\$ 33,343
Changes of Assumptions	16,231	784,426
Net Difference between Projected and Actual Earnings on Pension Plan Investments	216,821	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	258,001	405,272
School District contributions subsequent to measurement date	399,878	-
	\$ 928,741	\$ 1,223,041

\$399,878 is reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2022-2023 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.98%. The payable is due on April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>	
2024	\$ (478,816)
2025	(258,389)
2026	(141,101)
2027	214,118
2028	(29,990)
	\$ (694,178)

**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.



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

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

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 \$11,022.

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

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

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

**RED BANK REGIONAL HIGH 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 Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

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

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

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

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

	<b>At 1% Decrease <u>(6.00%)</u></b>	<b>At Current Discount Rate <u>(7.00%)</u></b>	<b>At 1% Increase <u>(8.00%)</u></b>
School District's Proportionate Share of the Net Pension Liability	\$ 6,787,066	\$ 5,238,603	\$ 4,002,920

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

Collective Deferred Outflows of Resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective Deferred Inflows of Resources	\$ 3,236,303,935	\$ 8,339,123,762
Collective Net Pension Liability	\$ 15,219,184,920	\$ 11,972,782,878
School District's portion	0.03471%	0.03679%

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

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

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

**RED BANK REGIONAL HIGH 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 2022, 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, 2022 was \$51,289,108. 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 0.0994082549%, which was a decrease of 0.0035267306% 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 \$1,380,333 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 REGIONAL HIGH 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 of 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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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 REGIONAL HIGH 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 Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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 presents the net pension liability of the State as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

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

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

	<b>At 1% Decrease <u>(6.00%)</u></b>	<b>At Current Discount Rate <u>(7.00%)</u></b>	<b>At 1% Increase <u>(8.00%)</u></b>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 60,137,569	\$ 51,289,108	\$ 43,835,391

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

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

Collective Deferred Outflows of Resources	\$ 5,004,259,312	\$ 6,373,530,834
Collective Deferred Inflows of Resources	\$ 19,682,774,794	\$ 27,363,797,906
Collective Net Pension Liability	\$ 51,676,587,303	\$ 48,165,991,182
School District's portion	0.09941%	0.10293%

**C. Defined Contribution Retirement Plan (DCRP)**

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,400 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

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

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

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

For the year ended June 30, 2023, employee contributions totaled \$2,915, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$1,590.

**Note 9. Other Post-Retirement Benefits**

**General Information about the OPEB Plan**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

**Basis of Presentation**

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



**RED BANK REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (CONTINUED)**

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

**Total Nonemployer OPEB Liability**

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

<b>Inflation Rate:</b>	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on service years	based on service years	based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-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 July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2022 was \$46,668,784. 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 0.09214619%, which was an increase of 0.0000121169 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 \$1,797,365 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 REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (CONTINUED)**

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

**Health Care Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 6.25% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the trend is initially (1.99%) in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% decreasing to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend is 5.0%.

**Discount Rate**

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

	<b>June 30, 2022</b>		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 54,854,246	\$ 46,668,784	\$ 40,108,545
State of New Jersey's Total Nonemployer OPEB Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

**RED BANK REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (CONTINUED)**

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

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

The following presents the total nonemployer OPEB liability as of June 30, 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:

	<b>June 30, 2022</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 38,574,602	\$ 46,668,784	\$ 57,300,983
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

\* See Healthcare Cost Trend Assumptions for details of rates.

**Additional Information**

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

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

**RED BANK REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (CONTINUED)**

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

**Additional Information (continued):**

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

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

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

**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:

<b>Total OPEB Liability</b>		
Service Cost	\$	2,770,618,025
Interest Cost		1,342,187,139
Changes of Benefit Terms		
Difference Between Expected & Actual Experience		1,399,200,739
Changes of Assumptions		(13,586,368,097)
Contributions: Member		42,650,252
Gross Benefit Payments		(1,329,476,056)
Net Change in Total OPEB Liability		(9,361,187,998)
Total OPEB Liability (Beginning)		60,007,650,970
Total OPEB Liability (Ending)	\$	50,646,462,972
Total Covered Employee Payroll		14,753,355,408
Net OPEB Liability as a Percentage of Payroll		343.29%

**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 postretirement 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 governmentwide 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 \$4,213,966, \$916,466, \$1,106,999 and \$1,855 respectively.

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

**Note 11. Risk Management**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**New Jersey Unemployment Compensation Insurance** – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending unemployment claims fund balance and/or unemployment trust liability of the School District for the current year and previous two years.

<u>Fiscal Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	Ending Balance	
			<u>Restricted Unemployment Fund Balance</u>	<u>Unemployment Trust Liability</u>
2023	\$ 39,100	\$ 40,516	\$ 103,522	\$ 46,340
2022	36,873	10,654	100,968	50,311
2021	34,114	9,623	100,767	24,293

As of June 30, 2023 the State provided quarterly bills until June 2021. The district expects to receive bills for the previous quarters.

**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 School Alliance Insurance Fund 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
School Board Legal Liability	Comprehensive Crime Coverage
Employers Liability	Excess Liability

**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 one open lawsuit. Although the outcome of this lawsuit is not presently determinable, it is the opinion of the School Districts' attorney that resolution of this matter will not have a material adverse effect on the financial condition of the School District.

**RED BANK REGIONAL HIGH 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	Aspire
Lincoln Financial	Vanguard

**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 \$125,073.

**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 REGIONAL HIGH 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 \$351,844.

**Note 17. Fund Balances**

**General Fund** – Of the \$13,028,704 General Fund fund balance at June 30, 2023, \$8,163,212 has been restricted for the Capital Reserve Account; \$1,578,148 has been restricted for the Maintenance Reserve Account; \$103,522 has been restricted for Unemployment Claims; \$1,256,668 has been assigned to other purposes; \$667,043 has been assigned for designated for subsequent year expenditures; \$351,844 is excess surplus, and \$908,267 has been unassigned.

**Special Revenue Fund** – Of the \$3,370,198 Special Revenue Fund fund balance at June 30, 2023, \$3,220,987 is restricted for scholarships and \$149,211 is restricted for student activities.

**Capital Projects Fund** – Of the \$3,609,533 Capital Projects Fund fund balance at June 30, 2023, \$2,420,966 is restricted for future capital projects approved by the School District and \$1,188,567 is restricted for Contractual Commitments in relation to construction in progress.

**Debt Service Fund** – Of the \$1 Debt Service Fund fund balance at June 30, 2023, \$1 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 \$2,334,996 at June 30, 2023. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2023. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**Note 19. Commitments**

The District has contractual commitments 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 \$1,256,668 and \$1,188,567 in the Capital Projects Fund included in Restricted Fund Balance.

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### **C. Budgetary Comparison Schedules**

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

ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	JUNE 30, 2023		VARIANCE FINAL TO ACTUAL
			FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 25,645,689	\$ -	\$ 25,645,689	\$ 25,645,688	\$ (1)
Tuition From Individuals	98,550	-	98,550	396,435	297,885
Tuition From Other LEAs Within State	3,104,325	-	3,104,325	2,918,822	(185,503)
Transportation Fees From Other LEAs	50,000	-	50,000	145,915	95,915
Rents and Royalties	-	-	-	1,374	1,374
Unrestricted Miscellaneous Revenues	50,000	500	50,500	226,566	176,066
Interest Earned on Maintenance Reserve	250	(250)	-	33,052	33,052
Interest Earned on Capital Reserve Funds	250	(250)	-	103,867	103,867
<b>Total Local Sources</b>	<b>28,949,064</b>	<b>-</b>	<b>28,949,064</b>	<b>29,471,719</b>	<b>522,655</b>
State Sources:					
Categorical Transportation Aid	329,380	-	329,380	329,380	-
Extraordinary Aid	-	-	-	433,214	433,214
Categorical Special Education Aid	1,000,867	-	1,000,867	1,000,867	-
Equalization Aid	85,945	-	85,945	85,945	-
Categorical Security Aid	149,757	-	149,757	149,757	-
Adjustment Aid	20,284	-	20,284	20,284	-
Other State Aids	-	-	-	30,136	30,136
Nonbudgeted:					
TPAF Pension (on-behalf)	-	-	-	4,213,966	4,213,966
TPAF Social Security (reimbursed)	-	-	-	916,466	916,466
TPAF Post Retirements	-	-	-	1,106,999	1,106,999
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	1,855	1,855
<b>Total State Sources</b>	<b>1,586,233</b>	<b>-</b>	<b>1,586,233</b>	<b>8,288,869</b>	<b>6,702,636</b>
Federal Sources:					
Medicaid Reimbursement	16,736	-	16,736	18,264	1,528
FFCRA/SEMI Revenue/ARRA/SEMI Revenue	-	-	-	609	609
<b>Total Federal Sources</b>	<b>16,736</b>	<b>-</b>	<b>16,736</b>	<b>18,873</b>	<b>2,137</b>
<b>Total Revenues</b>	<b>30,552,033</b>	<b>-</b>	<b>30,552,033</b>	<b>37,779,461</b>	<b>7,227,428</b>

**RED BANK REGIONAL HIGH 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:					
Grades 9-12 - Salaries of Teachers	11-140-100-101	8,270,417	444,224	8,714,641	8,533,589
Regular Programs - Home Instruction:					
Salaries of Teachers	11-150-100-101	25,000	(5,480)	19,520	9,420
Purchased Professional - Educational Services	11-150-100-320	21,000	(520)	20,480	12,484
Regular Programs - Undistributed Instruction:					
Salaries of Teachers	11-190-100-101	10,000	248,366	258,366	185,886
Other Salaries for Instruction	11-190-100-106	584,700	(395,902)	188,798	95,137
Purchased Professional - Educational Services	11-190-100-320	9,000	(4,000)	5,000	4,120
Purchased Technical Services	11-190-100-340	347,037	38,511	385,548	373,014
Other Purchased Services	11-190-100-500	7,500	-	7,500	6,685
General Supplies	11-190-100-610	913,564	(55,006)	858,558	547,638
Textbooks	11-190-100-640	10,520	31,891	42,411	31,493
Other Objects	11-190-100-800	115,615	(25,785)	89,830	43,206
<b>Total Regular Programs - Instruction</b>		<b>10,314,353</b>	<b>276,299</b>	<b>10,590,652</b>	<b>9,842,672</b>
Special Education - Instruction:					
Cognitive - Mild:					
Salaries of Teachers	11-201-100-101	217,000	(18,301)	198,699	192,875
Other Salaries for Instruction	11-201-100-106	206,800	60,224	267,024	251,724
Purchased Technical Services	11-201-100-340	2,800	(2,800)	-	-
General Supplies	11-201-100-610	-	7,475	7,475	2,287
<b>Total Cognitive - Mild</b>		<b>426,600</b>	<b>46,598</b>	<b>473,198</b>	<b>446,886</b>
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	11-213-100-101	639,389	(13,618)	625,771	624,137
Other Salaries	11-213-100-106	462,200	(171,402)	290,798	289,622
General Supplies	11-213-100-610	4,800	(550)	4,250	3,621
<b>Total Resource Room/Resource Center</b>		<b>1,106,389</b>	<b>(185,570)</b>	<b>920,819</b>	<b>917,380</b>
Special Education - Instruction:					
Home Instruction:					
Salaries of Teachers	11-219-100-101	10,000	8,855	18,855	14,555
Other Purchased Services	11-219-100-500	7,500	(1,860)	5,640	4,918
<b>Total Home Instruction</b>		<b>17,500</b>	<b>6,995</b>	<b>24,495</b>	<b>19,473</b>

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

	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL
Total Special Education - Instruction	1,550,489	(131,977)	1,418,512	1,383,739
Bilingual Education - Instruction:				
Salaries of Teachers	298,950	18,300	317,250	313,015
Other Salaries for Instruction	107,050	24,408	131,458	126,637
General Supplies	1,600	1,542	3,142	2,151
Textbooks	4,793	207	5,000	4,793
Total Bilingual Education - Instruction	412,393	44,457	456,850	446,596
School-Sponsored Coccircular/Extra Curricular Activities - Instruction:				
Salaries	270,815	(37,400)	233,415	170,073
Purchased Services	-	1,100	1,100	600
Supplies and Materials	7,500	-	7,500	-
Total School-Sponsored Coccircular/Extra Curricular Activities - Instruction	278,315	(36,300)	242,015	170,673
School-Sponsored Athletics - Instruction:				
Salaries	635,980	4,002	639,982	568,557
Purchased Services	179,804	(23,300)	156,504	135,374
Supplies and Materials	88,052	4,600	92,652	82,517
Other Objects	6,500	(1,000)	5,500	3,881
Total School-Sponsored Athletics - Instruction	910,336	(15,698)	894,638	790,329
Summer School - Instruction:				
Salaries of Teachers	66,400	(26,546)	39,854	16,085
Other Salaries of Instruction	12,000	(812)	11,188	5,077
General Supplies	2,500	-	2,500	-
Total Summer School - Instruction	80,900	(27,358)	53,542	21,162
				32,380

RED BANK REGIONAL HIGH 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	
Summer School - Support Services: Salaries	16,000	8,537	24,537	10,251
Total Summer School - Support Services	16,000	8,537	24,537	10,251
Undistributed Expenditures - Instruction (Tuition):				
Tuition to Other LEAs Within State - Special	55,000	5,000	60,000	20,558
Tuition to County Vocational School - Regular	483,278	35,100	518,378	58,372
Tuition to County Vocational School - Special	93,630	80,000	173,630	48,348
Tuition to County Special Services & Regular Day Schools	-	130,002	130,002	17,039
Tuition to Private School Disabled - Within State	1,633,546	(325,044)	1,308,502	396,820
Tuition to Private School Disabled & Other LEAs - Outside State	119,000	(60,300)	58,700	41,700
Total Undistributed Expenditures - Instruction (Tuition)	2,384,454	(135,242)	2,249,212	582,837
Undistributed Expenditures Attendance and Social Work:				
Salaries	250,299	5,221	255,520	16,496
Salaries of Community/School Coordinators	192,600	(65,609)	126,991	-
Total Undistributed Expenditures Attendance and Social Work	442,899	(60,388)	382,511	16,496
Undistributed Expenditures - Health Services:				
Salaries	125,576	(20,520)	105,056	4,913
Purchased Professional & Technical Services	21,500	36,053	57,553	31,681
Supplies and Materials	7,000	(936)	6,064	716
Other Objects	400	-	400	33
Total Undistributed Expenditures - Health Services	154,476	14,597	169,073	37,343
Undistributed Expenditures - Speech, OT, PT and Related Services:				
Salaries	69,855	(2,400)	67,455	-
Purchased Professional - Educational Services	42,810	7,000	49,810	7,809
Total Undistributed Expenditures - Speech, OT, PT and Related Services	112,665	4,600	117,265	7,809



**RED BANK REGIONAL HIGH 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 - Guidance:					
Salaries of Other Professional Staff	11-000-218-104	608,850	25,442	634,292	632,204
Salaries of Secretaries & Clerical Assistants	11-000-218-105	95,977	15,823	111,800	108,327
Purchased Professional - Educational Services	11-000-218-320	56,320	-	56,320	42,609
Other Purchased Professional and Technical Services	11-000-218-390	30,350	-	30,350	21,218
Other Purchased Services	11-000-218-500	9,500	-	9,500	-
Supplies and Materials	11-000-218-600	7,600	-	7,600	3,867
Other Objects	11-000-218-800	1,775	-	1,775	1,288
<b>Total Undistributed Expenditures - Guidance</b>		<b>810,372</b>	<b>41,265</b>	<b>851,637</b>	<b>809,379</b>
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	11-000-219-104	581,825	(13,408)	568,417	547,417
Salaries of Secretaries & Clerical Assistants	11-000-219-105	58,200	-	58,200	56,375
Purchased Professional - Educational Services	11-000-219-320	5,000	(5,000)	-	-
Other Purchased Prof. and Tech. Services	11-000-219-390	15,225	-	15,225	8,836
Supplies and Materials	11-000-219-600	4,909	-	4,909	3,356
Other Objects	11-000-219-800	1,500	-	1,500	1,469
<b>Total Undistributed Expenditures - Child Study Teams</b>		<b>666,659</b>	<b>(18,408)</b>	<b>648,251</b>	<b>617,453</b>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	11-000-221-102	585,444	(1,981)	583,463	578,463
Salaries of Sec. and Clerical Assist.	11-000-221-105	96,850	(2,991)	93,859	86,284
Other Salaries	11-000-221-110	28,902	(11,662)	17,240	10,000
Supplies and Materials	11-000-221-600	-	2,975	2,975	-
Other Objects	11-000-221-800	500	(500)	-	-
<b>Total Undistributed Expenditures - Improvement of Instruction Services</b>		<b>711,696</b>	<b>(14,159)</b>	<b>697,537</b>	<b>674,747</b>
Undistributed Expenditures - Educational Media Services/Library:					
Salaries	11-000-222-100	171,950	(2,380)	169,570	169,570
Supplies and Materials	11-000-222-600	30,000	-	30,000	29,940
<b>Total Undistributed Expenditures - Educational Media Services/Library</b>		<b>201,950</b>	<b>(2,380)</b>	<b>199,570</b>	<b>199,510</b>

RED BANK REGIONAL HIGH 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 - Instructional Staff Training Services:					
Other Purchased Services	111-000-223-500	21,730	8,260	29,990	17,552
Total Undistributed Expenditures - Instructional Staff Training Services		21,730	8,260	29,990	17,552
Undistributed Expenditures - Support Services - General Administration:					
Salaries	111-000-230-100	270,672	8,400	279,072	10,958
Legal Services	111-000-230-331	75,000	8,500	83,500	5,115
Audit Fees	111-000-230-332	47,000	4,000	51,000	7,680
Architectural/Engineering Services	111-000-230-334	126,295	(4,200)	122,095	115,295
Other Purchased Professional Services	111-000-230-339	38,000	(300)	37,700	10,498
Communications/Telephone	111-000-230-530	46,500	10,000	56,500	27,898
BOE Other Purchased Professional Services	111-000-230-585	7,000	4,500	11,500	8,975
Other Purchased Services	111-000-230-590	246,150	(13,000)	233,150	8,995
General Supplies	111-000-230-610	2,000	1,500	3,500	2,912
BOE In-House Training/Meeting Supplies	111-000-230-630	1,750	1,000	2,750	1,090
Miscellaneous Expenditures	111-000-230-890	7,800	7,000	14,800	7,689
BOE Membership Dues and Fees	111-000-230-895	12,500	1,000	13,500	1,380
Total Undistributed Expenditures - Support Services - General Administration		880,667	28,400	909,067	208,485
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	111-000-240-103	456,925	13,592	470,517	9,850
Salaries of Secretaries & Clerical Assistants	111-000-240-105	160,340	(2,941)	157,399	6,207
Supplies and Materials	111-000-240-600	53,000	9,561	62,561	20,273
Other Objects	111-000-240-800	2,000	(1,000)	1,000	826
Total Undistributed Expenditures - Support Services - School Administration		672,265	19,212	691,477	37,156
Undistributed Expenditures - Central Services:					
Salaries	111-000-251-100	479,925	13,395	493,320	30,961
Purchased Professional Services	111-000-251-330	41,000	(15,000)	26,000	6,060
Purchased Technical Services	111-000-251-340	59,000	(2,000)	57,000	7,275

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

	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
				ACTUAL
Supplies and Materials	16,380	4,615	20,995	17,646
Miscellaneous Expenditures	10,338	4,385	14,723	6,490
Total Undistributed Expenditures - Central Services	606,643	5,395	612,038	556,160
Undistributed Expenditures - Administrative Information Technology:				
Salaries	257,800	12,933	270,733	238,718
Total Undistributed Expenditures - Administrative Information Technology	257,800	12,933	270,733	238,718
Undistributed Expenditures - Required Maintenance for School Facilities:				
Salaries	195,215	(8,387)	186,828	176,828
Cleaning, Repair & Maintenance Services	917,034	(2,777)	914,257	596,714
General Supplies	47,622	37,546	85,168	53,203
Total Undistributed Expenditures - Required Maintenance for School Facilities	1,159,871	26,382	1,186,253	826,745
Undistributed Expenditures - Custodial Services:				
Salaries	180,345	446	180,791	175,791
Salaries of Non-Instructional Aides	120,045	(39,793)	80,252	80,252
Purchased Professional and Technical Services	25,200	(14,655)	10,545	10,545
Cleaning, Repair & Maintenance Services	726,758	(96,836)	629,922	613,933
Other Purchased Property Services	60,000	12,202	72,202	72,202
Insurance	169,000	12,346	181,346	181,346
General Supplies	119,649	(31,226)	88,423	61,757
Energy (Natural Gas)	90,000	44,657	134,657	129,957
Energy (Electricity)	525,000	22,881	547,881	517,180
Other Objects	6,700	(2,804)	3,896	3,896
Total Undistributed Expenditures - Custodial Services	2,022,697	(92,782)	1,929,915	1,846,859
Undistributed Expenditures - Care and Upkeep of Grounds:				
Cleaning, Repair & Maintenance Services	308,359	29,336	337,695	243,331
General Supplies	41,550	13,067	54,617	25,280

RED BANK REGIONAL HIGH 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		
Total Undistributed Expenditures - Care and Upkeep of Grounds		349,909	42,403	392,312	268,611	123,701
Security:						
Salaries	11-000-266-100	93,250	39,782	133,032	128,532	4,500
Purchased Professional and Technical Services	11-000-266-300	85,000	(3,593)	81,407	80,648	759
Cleaning, Repair, and Maintenance Services	11-000-266-420	4,500	(4,500)	-	-	-
General Supplies	11-000-266-610	11,897	(3,570)	8,327	8,327	-
Total Security		194,647	28,119	222,766	217,507	5,259
Undistributed Expenditures - Student Transportation Services:						
Salaries of Pupil Transportation (Between Home & School) - Regular	11-000-270-160	41,350	275	41,625	41,616	9
Sal for Pupil Trans (Bet Home & Sch.)- Sp Ed	11-000-270-161	13,785	90	13,875	13,872	3
Other Purchased Prof. and Technical Serv.	11-000-270-390	18,700	(4,000)	14,700	14,250	450
Contract Services - Aid in Lieu Payments - Non Public Schools	11-000-270-503	130,000	(52,160)	77,840	77,274	566
Contract Services (Between Home & School) - Vendors	11-000-270-511	480,000	(19,488)	460,512	429,369	31,143
Contract Services (Other Than Between Home & School) - Vendors	11-000-270-512	171,121	(4,598)	166,523	166,518	5
Contract Services (Special Education) - Vendors	11-000-270-514	221,250	(84,902)	136,348	136,348	-
Contract Serv.(Sp Ed Stds)-Joint Agrmnts	11-000-270-515	27,300	48,425	75,725	25,725	50,000
Contract Serv.(Spl. Ed. Students)-ESCs & CTSA's	11-000-270-517	657,605	(105,231)	552,374	552,372	2
Contract Services (Special Education) - ESCs & CTSA's	11-000-270-518	505,000	212,100	717,100	717,081	19
Miscellaneous Purchased Services - Transportation	11-000-270-593	-	111	111	111	-
Total Undistributed Expenditures - Student Transportation Services		2,266,111	(9,378)	2,256,733	2,174,536	82,197
Unallocated Benefits:						
Social Security Contributions	11-000-291-220	393,269	(66,500)	326,769	298,849	27,920
Other Retirement Contributions - PERS	11-000-291-241	456,000	(38)	455,962	439,715	16,247
Unemployment Compensation	11-000-291-250	10,000	-	10,000	-	10,000
Workmen's Compensation	11-000-291-260	135,000	-	135,000	119,332	15,668
Health Benefits	11-000-291-270	3,721,842	22,689	3,744,531	3,413,868	330,663
Tuition Reimbursement	11-000-291-280	66,863	-	66,863	36,358	30,505
Other Employee Benefits	11-000-291-290	214,275	(13,000)	201,275	91,775	109,500
Total Unallocated Benefits		4,997,249	(56,849)	4,940,400	4,399,897	540,503

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	-	4,213,966 (4,213,966)
TPAF Social Security (reimbursed)	-	-	-	916,466 (916,466)
TPAF Post Retirements	-	-	-	1,106,999 (1,106,999)
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	1,855 (1,855)
Total Undistributed Expenditures	18,914,760	(158,020)	18,756,740	22,710,325 (3,953,585)
Interest on Maintenance Reserve	250	-	250	- 250
Total Expenditures - Current Expense	32,477,796	(40,060)	32,437,736	35,379,782 (2,942,046)
Capital Outlay:				
Equipment:				
Grades 9-12	302,927	15,163	318,090	237,269 80,821
Undistributed Expenditures:				
Undistributed Expenditures - School Admin.	-	14,751	14,751	- 14,751
Undistributed Expenditures - Admin Info Tech.	35,000	(14,051)	20,949	- 20,949
Undist. Expend. - Custodial Services	6,599	-	6,599	- 6,599
Undist. Expend. - Care and Upkeep of Grounds	564,852	51,042	615,894	564,852 51,042
Undist. Expend. - Security	35,000	(26,845)	8,155	- 8,155
Total Equipment	944,378	40,060	984,438	802,121 182,317
Facilities Acquisition & Construction Services:				
Assessment for Debt Service on SDA Funding	39,063	-	39,063	39,063 -
Interest Deposit into Capital Reserve	250	-	250	- 250
Total Facilities Acquisition & Construction Services	39,313	-	39,313	39,063 250
Total Capital Outlay	983,691	40,060	1,023,751	841,184 182,567
Total Expenditures	33,461,487	-	33,461,487	36,220,966 (2,759,479)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)	(2,909,454)	-	(2,909,454)	1,558,495 4,467,949

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Financing Sources/(Uses):				
Transfers In/(Out):				
Transfer of Funds to Charter Schools	(30,000)	-	(30,000)	30,000
Total Other Financing Sources/(Uses)	(30,000)	-	(30,000)	30,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses)	(2,939,454)	-	(2,939,454)	4,497,949
Fund Balances, July 1	11,624,926	-	11,624,926	-
Fund Balances, June 30	\$ 8,685,472	\$ -	\$ 8,685,472	\$ 4,497,949

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 8,163,212
Maintenance Reserve	1,578,148
Excess Surplus	351,844
Reserve for Unemployment Claims	103,522
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	667,043
Year-End Encumbrances	1,256,668
Unassigned Fund Balance	1,062,984
Subtotal	13,183,421
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	(154,717)
Fund Balance per Governmental Funds (GAAP)	\$ 13,028,704

**RED BANK REGIONAL HIGH 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	\$ 15,000	\$ 433,794	\$ 448,794	\$ 329,954	\$ 118,840
State Sources	631,815	136,683	768,498	757,063	11,435
Federal Sources	458,362	1,379,139	1,837,501	989,943	847,558
<b>Total Revenues</b>	<b>1,105,177</b>	<b>1,949,616</b>	<b>3,054,793</b>	<b>2,076,960</b>	<b>977,833</b>
Expenditures:					
Instruction:					
Salaries of Teachers	342,430	180,866	523,296	448,600	74,696
Purchased Professional - Educational Services	144,085	96,066	240,151	209,181	30,970
Other Purchased Services (400-500 Series)	227,596	180,379	407,975	407,975	-
General Supplies	5,000	47,400	52,400	12,586	39,814
Textbooks	35,507	10,363	45,870	45,719	151
Other Objects	-	20,848	20,848	2,450	18,398
<b>Total Instruction</b>	<b>754,618</b>	<b>535,922</b>	<b>1,290,540</b>	<b>1,126,511</b>	<b>164,029</b>
Support Services:					
Salaries of Other Professional Staff	19,002	51,562	70,564	56,218	14,346
Personal Services - Employee Benefits	-	25,455	25,455	20,141	5,314
Purchased Educational Services	186,106	118,641	304,747	208,056	96,691
Other Purchased Services (400-500 Series)	123,951	795,026	918,977	322,824	596,153
Supplies and Materials	6,500	42,561	49,061	31,221	17,840
Scholarships Awarded	5,000	9,579	14,579	14,579	-
Student Activities	10,000	370,870	380,870	291,329	89,541.00
<b>Total Support Services</b>	<b>350,559</b>	<b>1,413,694</b>	<b>1,764,253</b>	<b>944,368</b>	<b>819,885</b>
<b>Total Expenditures</b>	<b>1,105,177</b>	<b>1,949,616</b>	<b>3,054,793</b>	<b>2,070,879</b>	<b>983,914</b>
<b>Total Outflows</b>	<b>1,105,177</b>	<b>1,949,616</b>	<b>3,054,793</b>	<b>2,070,879</b>	<b>983,914</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ 6,081	\$ (6,081)
Fund Balance, July 1				3,364,117	
Fund Balance, June 30				\$ 3,370,198	
Recapitulation:					
Restricted:					
Scholarships				\$ 3,220,987	
Student Activities				149,211	
<b>Total Fund Balance</b>				<b>\$ 3,370,198</b>	

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

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**RED BANK REGIONAL HIGH 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**

	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUND</b>
<b>Sources/Inflows of Resources:</b>		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 37,779,462	\$ 2,076,960
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	-	(11,231)
Prior Year	-	120,760
<p>The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).</p>		
Current Year	(154,717)	-
Prior Year	137,237	-
<hr style="border: 1px solid black;"/>		
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 37,761,982</u>	<u>\$ 2,186,489</u>
<b>Uses/outflows of resources:</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 36,220,966	\$ 2,070,879
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.		
	-	109,529
<hr style="border: 1px solid black;"/>		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 36,220,966</u>	<u>\$ 2,180,408</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 REGIONAL HIGH 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	0.0347125559%	0.0367920784%	0.0360861244%	0.0352621654%	0.0369389300%	0.0355153582%	0.0350742919%	0.0338575028%	0.0307837749%	0.0307837749%
School District's proportionate share of the net pension liability	\$ 5,238,603	\$ 4,358,573	\$ 5,884,703	\$ 6,353,707	\$ 7,273,091	\$ 7,801,840	\$ 10,387,999	\$ 7,600,286	\$ 5,763,565	\$ 5,704,151
School District's covered payroll	\$ 2,401,033	\$ 2,496,838	\$ 2,594,940	\$ 2,533,800	\$ 2,519,359	\$ 2,548,461	\$ 2,459,033	\$ 2,294,750	\$ 2,294,750	\$ 2,294,750
School District's proportionate share of the net pension liability as a percentage of its covered payroll	21.8%	1.75%	22.7%	2.51%	28.9%	30.6%	4.22%	31.5%	2.34%	2.34%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	55.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

RED BANK REGIONAL HIGH 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	\$ 437,742	\$ 430,878	\$ 394,764	\$ 342,997	\$ 325,461	\$ 367,423	\$ 310,484	\$ 311,595	\$ 291,082	\$ 253,777
Contributions in relation to the contractually required contribution	(437,742)	(430,878)	(394,764)	(342,997)	(325,461)	(367,423)	(310,484)	(311,595)	(291,082)	(253,777)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 2,208,282	\$ 2,401,033	\$ 2,496,838	\$ 2,594,940	\$ 2,533,800	\$ 2,519,359	\$ 2,548,461	\$ 2,459,033	\$ 2,294,750	\$ 2,294,750
Contributions as a percentage of covered payroll	19.82%	17.95%	15.81%	13.22%	12.84%	14.58%	12.18%	12.67%	12.68%	11.06%

RED BANK REGIONAL HIGH 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%	0%	0%	0%	0%	0%	0%	0%	0%	0%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 51,289,108	\$ 49,486,188	\$ 67,196,937	\$ 62,308,695	\$ 63,178,746	\$ 66,544,890	\$ 76,775,498	\$ 59,703,767	\$ 51,271,493	\$ 52,088,826
	\$ 51,289,108	\$ 49,486,188	\$ 67,196,937	\$ 62,308,695	\$ 63,178,746	\$ 66,544,890	\$ 76,775,498	\$ 59,703,767	\$ 51,271,493	\$ 52,088,826
School District's covered payroll	\$ 12,509,999	\$ 12,109,623	\$ 11,359,238	\$ 11,035,898	\$ 11,183,185	\$ 10,670,339	\$ 11,670,691	\$ 10,109,522	\$ 9,849,061	\$ 9,787,278
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
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 REGIONAL HIGH 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
<b>District's Total OPEB Liability</b>						
Service Cost	\$ 2,737,262	\$ 3,175,758	\$ 1,722,038	\$ 1,603,201	\$ 1,800,146	\$ 2,168,108
Interest Cost	1,236,774	1,415,543	1,346,189	1,621,728	1,779,186	1,532,754
Change of Benefit Terms	-	(58,081)	-	-	-	-
Difference between Expected & Actual Differences	1,832,171	(9,685,058)	10,356,993	(6,273,362)	(5,405,856)	-
Changes of Assumptions	(12,519,320)	53,835	11,095,937	555,383	(4,687,904)	(6,349,237)
Contributions: Member	39,301	36,188	32,053	33,894	37,753	41,297
Gross Benefit Payments	(1,225,061)	(1,115,051)	(1,057,512)	(1,143,428)	(1,092,352)	(1,121,520)
Net Change in District's Total OPEB Liability	(7,898,873)	(6,176,866)	23,495,698	(3,602,584)	(7,569,027)	(3,728,598)
District's Total OPEB Liability (Beginning)	54,567,657	60,744,523	37,248,825	40,851,409	48,420,436	52,149,034
District's Total OPEB Liability (Ending)	\$ 46,668,784	\$ 54,567,657	\$ 60,744,523	\$ 37,248,825	\$ 20,845,479	\$ 48,420,436
District's Covered Employee Payroll	\$ 14,718,281	\$ 14,606,461	\$ 13,954,178	\$ 13,569,698	\$ 13,779,985	\$ 14,570,311
District's Net OPEB Liability as a Percentage of Payroll	317%	374%	435%	275%	151%	332%

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

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

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

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**RED BANK REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

*Changes of Benefit Terms*

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

*Changes of 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	7.65%
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.

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

*Changes of Benefit Terms*

None noted.

*Changes of 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.

**RED BANK REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Other Post-Employment Benefits (OPEB)**

*Changes of Benefit Terms*

The increase in benefit terms from June 30, 2021 to June 30, 2022 was a result of employers adopting and or changing Chapter 48 provisions which provide different levels of subsidy than in the prior year.

*Differences Between Expected and Actual Experiences*

The increase in differences between expected and actual experiences from June 30, 2021 to June 30, 2022 was a result of changes to the census, claims and premiums experience.

*Changes of Assumptions*

The increase in changes in assumptions from June 30, 2021 to June 30, 2022 is a result of a change in the discount rate, trend update and the mortality projection scale update.

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

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

**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 REGIONAL HIGH 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 (Imm)	IDEA Part B Basic	IDEA ARP
<b>Revenues:</b>						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-
Federal Sources	131,464	17,010	5,144	3,655	371,675	17,911
<b>Total Revenues</b>	<b>131,464</b>	<b>17,010</b>	<b>5,144</b>	<b>3,655</b>	<b>371,675</b>	<b>17,911</b>
<b>Expenditures:</b>						
<b>Instruction:</b>						
Salaries of Teachers	50,508	-	-	455	-	-
Purchased Professional - Educational Services	-	-	-	-	20,000	-
Other Purchased Services (400-500 Series)	-	-	1,000	-	289,497	-
General Supplies	500	-	-	2,000	-	-
Textbooks	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
<b>Total Instruction</b>	<b>51,008</b>	<b>-</b>	<b>1,000</b>	<b>2,455</b>	<b>309,497</b>	<b>-</b>
<b>Support Services:</b>						
Salaries of Other Professional Staff	7,331	-	160	160	-	-
Personal Services - Employee Benefits	4,397	-	12	47	-	-
Purchased Educational Services	-	-	-	-	62,178	17,911
Other Purchased Services (400-500 Series)	46,588	17,010	3,838	975	-	-
Supplies and Materials	22,140	-	134	18	-	-
Scholarships Awarded	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-
<b>Total Support Services</b>	<b>80,456</b>	<b>17,010</b>	<b>4,144</b>	<b>1,200</b>	<b>62,178</b>	<b>17,911</b>
<b>Total Expenditures</b>	<b>131,464</b>	<b>17,010</b>	<b>5,144</b>	<b>3,655</b>	<b>371,675</b>	<b>17,911</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	ACSERS Special Ed and Related Services	CRRSA - ESSER II	CRRSA - Learning Acceleration	CRRSA - Mental Health	ARP - ESSER III	ARP - Accelerated Learning
<b>Revenues:</b>						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-
Federal Sources	174,486	151,043	22,062	25,366	40,475	26,686
<b>Total Revenues</b>	<b>174,486</b>	<b>151,043</b>	<b>22,062</b>	<b>25,366</b>	<b>40,475</b>	<b>26,686</b>
<b>Expenditures:</b>						
<b>Instruction:</b>						
Salaries of Teachers	22,375	91,215	14,257	-	-	-
Purchased Professional - Educational Services	4,540	-	-	-	-	9,705
Other Purchased Services (400-500 Series)	117,478	-	-	-	-	-
General Supplies	4,600	1,378	464	-	-	-
Textbooks	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
<b>Total Instruction</b>	<b>148,993</b>	<b>92,593</b>	<b>14,721</b>	<b>-</b>	<b>-</b>	<b>9,705</b>
<b>Support Services:</b>						
Salaries of Other Professional Staff	20,968	4,000	-	-	-	5,463
Personal Services - Employee Benefits	4,525	9,215	1,091	-	-	418
Purchased Educational Services	-	-	-	18,794	-	3,000
Other Purchased Services (400-500 Series)	-	39,764	6,250	5,090	40,475	8,100
Supplies and Materials	-	5,471	-	1,482	-	-
Scholarships Awarded	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-
<b>Total Support Services</b>	<b>25,493</b>	<b>58,450</b>	<b>7,341</b>	<b>25,366</b>	<b>40,475</b>	<b>16,981</b>
<b>Total Expenditures</b>	<b>174,486</b>	<b>151,043</b>	<b>22,062</b>	<b>25,366</b>	<b>40,475</b>	<b>26,686</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, July 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

	ARP - Summer Learning and Enrichment	ARP - Evidence Based Comprehensive Beyond the School Day	School Based Youth Services Program	Non Public Textbook	Non Public Comp Ed (Ch 192/193)	Non Public Nursing
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	287,802	45,719	174,936	76,984
Federal Sources	430	2,536	-	-	-	-
<b>Total Revenues</b>	<b>430</b>	<b>2,536</b>	<b>287,802</b>	<b>45,719</b>	<b>174,936</b>	<b>76,984</b>
Expenditures:						
Instruction:						
Salaries of Teachers	-	2,100	267,690	-	-	-
Purchased Professional - Educational Services	-	-	-	-	174,936	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-
Textbooks	-	-	-	45,719	-	-
Other Objects	-	-	-	-	-	-
<b>Total Instruction</b>	<b>-</b>	<b>2,100</b>	<b>267,690</b>	<b>45,719</b>	<b>174,936</b>	<b>-</b>
Support Services:						
Salaries of Other Professional Staff	-	-	18,136	-	-	-
Personal Services - Employee Benefits	-	436	-	-	-	-
Purchased Educational Services	-	-	-	-	-	76,984
Other Purchased Services (400-500 Series)	430	-	-	-	-	-
Supplies and Materials	-	-	1,976	-	-	-
Scholarships Awarded	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-
<b>Total Support Services</b>	<b>430</b>	<b>436</b>	<b>20,112</b>	<b>-</b>	<b>-</b>	<b>76,984</b>
<b>Total Expenditures</b>	<b>430</b>	<b>2,536</b>	<b>287,802</b>	<b>45,719</b>	<b>174,936</b>	<b>76,984</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Non Public		Local Grants	Student Activities	Scholarship	Totals
	Technology	Non Public Security				
Revenues:						
Local Sources	\$ -	\$ -	\$ 17,965	\$ 280,863	\$ 31,126	\$ 329,954
State Sources	29,189	142,433	-	-	-	757,063
Federal Sources	-	-	-	-	-	989,943
<b>Total Revenues</b>	<b>29,189</b>	<b>142,433</b>	<b>17,965</b>	<b>280,863</b>	<b>31,126</b>	<b>2,076,960</b>
Expenditures:						
Instruction:						
Salaries of Teachers	-	-	-	-	-	448,600
Purchased Professional - Educational Services	-	-	-	-	-	209,181
Other Purchased Services (400-500 Series)	-	-	-	-	-	407,975
General Supplies	-	-	3,644	-	-	12,586
Textbooks	-	-	-	-	-	45,719
Other Objects	-	-	2,450	-	-	2,450
<b>Total Instruction</b>	<b>-</b>	<b>-</b>	<b>6,094</b>	<b>-</b>	<b>-</b>	<b>1,126,511</b>
Support Services:						
Salaries of Other Professional Staff	-	-	-	-	-	56,218
Personal Services - Employee Benefits	-	-	-	-	-	20,141
Purchased Educational Services	29,189	-	-	-	-	208,056
Other Purchased Services (400-500 Series)	-	142,433	11,871	-	-	322,824
Supplies and Materials	-	-	-	-	-	31,221
Scholarships Awarded	-	-	-	-	14,579	14,579
Student Activities	-	-	-	291,329	-	291,329
<b>Total Support Services</b>	<b>29,189</b>	<b>142,433</b>	<b>11,871</b>	<b>291,329</b>	<b>14,579</b>	<b>944,368</b>
<b>Total Expenditures</b>	<b>29,189</b>	<b>142,433</b>	<b>17,965</b>	<b>291,329</b>	<b>14,579</b>	<b>2,070,879</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(10,466)	16,547	6,081
Fund Balance, July 1	-	-	-	159,677	3,204,440	3,364,117
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 149,211	\$ 3,220,987	\$ 3,370,198

**F. Capital Projects Fund**

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EXHIBIT F-1

RED BANK REGIONAL HIGH 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>	
Referendum Project	12/18	\$ 22,218,200	\$ 18,182,136	\$ 426,531	\$ 3,609,533
Total		\$ 22,218,200	\$ 18,182,136	\$ 426,531	\$ 3,609,533

**RED BANK REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2023**

Expenditures and Other Financing Uses:	
Other Purchased Professional and Technical Services	\$ 363,340
Construction Services	41,207
Furniture and Equipment	21,984
Total Expenditures and Other Financing Uses	426,531
Fund Balance, July 1	4,036,064
Fund Balance, June 30	\$ 3,609,533

**RED BANK REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGETARY BASIS  
REFERENDUM PROJECT  
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	\$ 19,450,000	\$ -	\$ 19,450,000	\$ 19,450,000
Bond Premium	2,768,200	-	2,768,200	2,768,200
Total Revenues and Other Financing Sources	22,218,200	-	22,218,200	22,218,200
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	2,251,588	363,340	2,614,928	2,250,000
Construction Services	15,683,777	41,207	15,724,984	19,612,329
Furniture and Equipment	246,771	21,984	268,755	355,871
Total Expenditures and Other Financing Uses	18,182,136	426,531	18,608,667	22,218,200
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 4,036,064	\$ (426,531)	\$ 3,609,533	\$ -

## Additional Project Information:

Name of Project:  
Referendum Project

Bond Authorization Date	12/10/2018
Bonds Authorized	\$ 22,218,200
Bonds Issued	19,450,000
Original Authorized Cost	22,218,200
Additional Authorized Cost	-
Revised Authorized Cost	22,218,200
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	83.75%
Original Target Completion Date	6/30/2022
Revised Target Completion Date	6/30/2025

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**H. Fiduciary Fund**

Not Applicable

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

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**RED BANK REGIONAL HIGH 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
MCIA Bonds	7/23/2019	19,450,000	8/1/2023	\$ 775,000	3.00%	\$ 18,800,000	\$ 745,000	\$ 18,055,000
			8/1/2024	800,000	4.00%			
			8/1/2025	835,000	4.00%			
			8/1/2026	865,000	4.00%			
			8/1/2027	900,000	4.00%			
			8/1/2028	940,000	4.00%			
			8/1/2029	980,000	4.00%			
			8/1/2030	1,020,000	4.00%			
			8/1/2031	1,060,000	4.00%			
			8/1/2032	1,100,000	4.00%			
			8/1/2033	1,145,000	4.00%			
			8/1/2034	1,195,000	4.00%			
			8/1/2035	1,245,000	4.00%			
			8/1/2036	1,295,000	4.00%			
			8/1/2037	1,300,000	4.00%			
			8/1/2038	1,300,000	4.00%			
			8/1/2039	1,300,000	4.00%			
Total						\$ 18,800,000	\$ 745,000	\$ 18,055,000

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

	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 1,143,558	\$ -	\$ 1,143,558	\$ -
State Sources:				
Debt Service Aid Type II	325,892	-	325,892	-
Total Revenues	1,469,450	-	1,469,450	-
Expenditures:				
Regular Debt Service:				
Interest	729,350	-	729,350	-
Redemption of Principal	745,000	-	745,000	-
Total Regular Debt Service	1,474,350	-	1,474,350	-
Total Expenditures	1,474,350	-	1,474,350	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(4,900)	-	(4,900)	-
Fund Balance, July 1,	4,901	-	4,901	-
Fund Balance, June 30,	\$ 1	\$ -	\$ 1	\$ -

**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 REGIONAL HIGH 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
<b>FISCAL YEAR ENDING JUNE 30,</b>										
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 15,858,047	\$ 15,177,573	\$ 12,917,839	\$ 3,623,786	\$ 15,478,259	\$ 15,424,949	\$ 19,769,777	\$ 20,086,797	\$ 18,166,753	\$ 17,658,331
Restricted	15,987,891	14,741,679	14,159,235	17,127,737	3,224,988	2,446,700	2,845,387	3,261,391	2,841,069	3,503,673
Unrestricted (Deficit)	(2,334,996)	(2,998,422)	(4,850,053)	(6,708,956)	(9,336,976)	(7,180,845)	(5,844,800)	(4,997,176)	(3,169,882)	1,227,400
Total Governmental Activities	\$ 29,510,942	\$ 26,920,830	\$ 22,227,022	\$ 14,042,567	\$ 9,366,272	\$ 10,690,804	\$ 16,770,364	\$ 18,351,011	\$ 17,837,941	\$ 22,389,403
Business-Type Activities:										
Net Investment in Capital Assets	\$ 37,906	\$ 28,504	\$ 37,590	\$ 37,590	\$ 42,230	\$ 49,867	\$ 57,641	\$ 57,414	\$ 64,800	\$ 72,186
Unrestricted (Deficit)	165,295	158,041	121,018	121,018	124,684	100,822	75,793	69,096	43,917	23,284
Total Business-Type Activities	\$ 203,201	\$ 186,545	\$ 158,608	\$ 158,608	\$ 166,915	\$ 150,688	\$ 133,434	\$ 126,510	\$ 108,717	\$ 95,470
District-Wide:										
Net Investment in Capital Assets	\$ 15,895,953	\$ 15,206,077	\$ 3,661,376	\$ 3,661,376	\$ 15,520,490	\$ 15,474,816	\$ 19,827,418	\$ 20,144,211	\$ 18,231,554	\$ 17,730,517
Restricted	15,987,891	14,741,679	17,127,737	17,127,737	3,224,988	2,446,700	2,845,387	3,261,391	2,841,069	3,503,673
Unrestricted (Deficit)	(2,169,701)	(2,840,381)	(6,587,938)	(6,587,938)	(9,212,292)	(7,080,023)	(5,769,007)	(4,928,080)	(3,125,965)	1,250,684
Total District Net Position	\$ 29,714,143	\$ 27,107,375	\$ 14,201,175	\$ 14,201,175	\$ 9,533,186	\$ 10,841,493	\$ 16,903,798	\$ 18,477,522	\$ 17,946,659	\$ 22,484,873

Source: ACFR Schedule A-1

**RED BANK REGIONAL HIGH SCHOOL DISTRICT**  
**CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>FISCAL YEAR ENDING JUNE 30,</b>										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 18,815,639	\$ 16,642,991	\$ 17,968,577	\$ 15,733,133	\$ 16,304,411	\$ 19,536,843	\$ 9,224,368	\$ 8,835,060	\$ 8,777,426	\$ 8,721,626
Special Education	2,350,087	2,433,178	2,931,679	2,216,096	2,282,053	2,619,270	1,137,004	1,117,448	1,188,448	1,071,222
Other Special Education	-	-	-	-	-	-	546,776	488,289	418,898	387,082
Other Instruction	2,426,549	2,375,049	2,251,764	2,153,434	2,606,309	3,427,538	1,146,733	1,101,035	1,023,978	913,673
Support Services:										
Tuition	2,081,646	1,591,406	2,190,305	2,293,617	2,037,305	2,084,162	1,486,420	1,426,192	1,263,234	1,470,995
Student & Instruction Related Services	4,846,148	4,383,917	3,894,510	4,146,221	4,197,021	4,672,456	3,223,694	3,026,829	3,071,099	3,037,522
General Administrative Services	875,171	798,381	787,610	839,924	988,993	1,056,441	741,732	687,601	630,684	673,806
Central Services	694,759	656,844	631,132	685,448	974,362	672,094	480,463	465,070	436,154	438,479
Administration Information Technology	298,208	258,869	288,771	267,721	258,676	281,553	157,281	128,189	197,713	171,997
School Administrative Services	817,382	710,698	769,366	806,641	804,394	870,359	630,393	632,506	613,533	633,561
Plant Operations & Maintenance	3,947,145	3,210,789	2,657,062	2,327,110	2,738,733	4,126,235	2,766,290	2,532,974	2,348,531	2,597,160
Pupil Transportation	2,716,444	2,197,662	1,371,935	1,486,415	2,165,829	2,469,320	1,720,108	1,509,275	1,438,371	1,445,221
Unallocated Benefits	-	-	-	-	-	-	7,617,714	7,221,990	7,929,090	5,564,526
Special Schools	-	-	-	-	-	-	-	-	-	7,531
Interest & Other Charges	755,997	796,036	903,576	726,937	155,933	170,047	195,866	228,500	248,037	260,922
Unallocated Depreciation	-	-	-	-	-	-	1,116,630	1,104,273	1,097,715	1,097,715
Total Governmental Activities	40,625,175	36,055,820	36,646,287	33,682,697	35,514,020	41,986,318	32,191,472	30,505,229	30,682,910	28,493,040
Expenses										
Business-Type Activities:										
Food Service	534,426	536,720	337,617	337,617	425,803	407,711	425,248	436,690	450,867	596,390
Total Business-Type Activities	534,426	536,720	337,617	337,617	425,803	407,711	425,248	436,690	450,867	596,390
Expense										
Total District Expenses	\$ 41,159,601	\$ 36,592,540	\$ 36,983,904	\$ 34,020,314	\$ 35,939,823	\$ 42,394,029	\$ 32,616,720	\$ 30,941,919	\$ 31,133,776	\$ 29,089,429
Program Revenues:										
Charges for Services	\$ 3,461,172	\$ 3,427,621	\$ -	\$ -	\$ -	\$ -	\$ 3,354,924	\$ 3,717,747	\$ 3,996,169	\$ 3,858,250
Instruction (Tuition)	-	-	-	-	-	-	101,329	172,391	132,871	132,028
Pupil Transportation	-	-	-	-	-	-	240,664	3,455,440	4,534,477	2,052,050
Operating Grants & Contributions	9,911,151	7,897,230	6,659,260	6,659,260	7,464,893	9,618,717	-	-	-	-
Total Governmental Activities	13,372,323	11,324,851	6,659,260	6,659,260	3,696,917	7,345,579	8,663,517	6,042,327	6,307,352	3,922,997
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	265,993	135,466	211,590	211,590	281,352	281,352	279,743	298,332	321,330	444,114
Operating Grants & Contributions	285,089	437,597	117,719	117,719	160,710	143,613	152,429	156,151	142,783	122,079
Total Business Type Activities	551,082	573,063	329,310	329,310	442,030	424,965	432,172	454,483	464,114	566,193
Program Revenues										
Total District Program Revenues	\$ 13,923,405	\$ 11,897,914	\$ 6,988,569	\$ 6,988,569	\$ 4,138,946	\$ 7,770,544	\$ 9,095,689	\$ 6,496,810	\$ 6,771,465	\$ 4,489,190



**RED BANK REGIONAL HIGH 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	\$ (27,252,852)	\$ (24,730,969)	\$ (29,987,028)	\$ (27,023,438)	\$ (31,817,103)	\$ (34,640,740)	\$ (23,527,955)	\$ (24,462,902)	\$ (24,375,558)	\$ (24,570,043)
Business-Type Activities	16,656	36,343	(8,307)	(8,307)	16,226	17,255	6,924	17,793	13,247	(30,196)
<b>Total District-Wide Net Expense</b>	<b>\$ (27,236,196)</b>	<b>\$ (24,694,626)</b>	<b>\$ (27,031,745)</b>	<b>\$ (27,031,745)</b>	<b>\$ (31,800,877)</b>	<b>\$ (34,623,485)</b>	<b>\$ (23,521,031)</b>	<b>\$ (24,445,109)</b>	<b>\$ (24,362,311)</b>	<b>\$ (24,600,239)</b>
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 25,645,688	\$ 25,142,831	\$ 23,358,585	\$ 23,358,585	\$ 21,924,781	\$ 21,421,835	\$ 21,001,800	\$ 20,590,000	\$ 20,190,016	\$ 19,340,947
Taxes Levied for Debt Service	1,143,558	1,686,909	741,055	741,055	742,532	757,245	748,693	747,599	751,308	757,811
Grants & Contributions	2,376,868	2,264,811	1,401,924	1,401,924	1,330,650	1,156,023	-	-	-	-
Unrestricted Grants and Contributions	-	-	-	-	-	-	5,071,948	2,222,409	2,093,432	2,107,979
Investment Earnings	-	-	-	-	-	-	-	-	-	1,760
Tuition Received	-	-	3,145,744	3,145,744	2,564,030	2,826,189	-	-	-	-
Miscellaneous Income	676,849	330,228	3,052,425	3,052,425	162,601	126,750	91,467	112,712	137,326	153,870
<b>Total Governmental Activities</b>	<b>29,842,963</b>	<b>29,424,779</b>	<b>31,699,733</b>	<b>31,699,733</b>	<b>26,724,594</b>	<b>26,288,042</b>	<b>26,913,908</b>	<b>23,672,720</b>	<b>23,172,082</b>	<b>22,362,367</b>
<b>Total District-Wide</b>	<b>\$ 29,842,963</b>	<b>\$ 29,424,779</b>	<b>\$ 31,699,733</b>	<b>\$ 31,699,733</b>	<b>\$ 26,724,594</b>	<b>\$ 26,288,042</b>	<b>\$ 26,913,908</b>	<b>\$ 23,672,720</b>	<b>\$ 23,172,082</b>	<b>\$ 22,362,367</b>
Change in Net Position:										
Governmental Activities	\$ 2,590,112	\$ 4,693,810	\$ 1,712,705	\$ 4,676,295	\$ (5,092,509)	\$ (8,352,698)	\$ 3,385,953	\$ (790,181)	\$ (1,203,476)	\$ (2,207,676)
Business-Type Activities	16,656	36,343	(8,307)	(8,307)	16,226	17,255	6,924	17,793	13,247	(30,196)
<b>Total District</b>	<b>\$ 2,606,768</b>	<b>\$ 4,730,153</b>	<b>\$ 1,704,398</b>	<b>\$ 4,667,988</b>	<b>\$ (5,076,283)</b>	<b>\$ (8,335,444)</b>	<b>\$ 3,392,877</b>	<b>\$ (772,388)</b>	<b>\$ (1,190,229)</b>	<b>\$ (2,237,873)</b>

Source: ACFR Schedule A-2

**RED BANK REGIONAL HIGH 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	\$ 10,196,726	\$ 7,738,461	\$ 5,256,991	\$ 2,269,127	\$ 1,275,979	\$ 2,417,563	\$ 2,824,135	\$ 3,308,858	\$ 2,657,510	\$ 3,558,986
Assigned	1,923,711	2,589,454	2,129,868	1,222,197	35,889	271,236	782,445	681,900	2,161,533	751,115
Unassigned	908,267	1,159,774	1,109,651	596,982	118,737	7,899	606,562	556,004	536,962	584,067
<b>Total General Fund</b>	<b>13,028,704</b>	<b>11,487,689</b>	<b>8,496,510</b>	<b>4,088,306</b>	<b>1,430,605</b>	<b>2,696,699</b>	<b>4,213,142</b>	<b>4,546,762</b>	<b>5,356,004</b>	<b>4,894,168</b>
All Other Governmental Funds:										
Restricted										
Debt Service Fund	\$ 1	4,901	4,901	1	1	1	1	1	2	1
Capital Projects Fund	3,609,533	4,036,064	5,535,951	14,858,609	1,949,009	29,136	21,250	21,250	253,882	22,343
Special Revenue Fund	3,370,198	3,364,117	3,361,393	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	656,212	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 6,979,732</b>	<b>\$ 7,405,082</b>	<b>\$ 8,902,245</b>	<b>\$ 14,858,610</b>	<b>\$ 1,949,010</b>	<b>\$ 29,137</b>	<b>\$ 677,464</b>	<b>\$ 21,251</b>	<b>\$ 253,884</b>	<b>\$ 22,344</b>

Source: ACFR Schedule B-1

**RED BANK REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
LAST TEN FISCAL YEARS  
*(Modified Accrual Basis of Accounting)*  
Unaudited

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>										
Tax Levy	\$ 26,829,740	\$ 26,829,740	\$ 26,229,954	\$ 24,099,640	\$ 22,667,313	\$ 22,179,080	\$ 21,750,080	\$ 21,337,599	\$ 20,941,324	\$ 20,098,758
Tuition Charges	3,315,257	3,236,490	3,324,396	3,145,744	2,564,030	2,826,189	3,357,924	3,717,747	3,996,169	3,858,250
Transportation Fees	145,915	191,131	96,346	245,945	87,044	83,002	101,329	172,391	132,871	132,028
Interest Earnings	-	-	-	-	-	-	-	-	-	1,760
Miscellaneous	693,645	380,488	253,118	50,033	103,277	55,910	91,467	112,712	137,326	153,870
State Sources	9,387,597	8,957,482	7,389,205	6,128,074	5,699,654	5,010,759	4,710,899	4,363,013	3,845,391	3,593,878
Federal Sources	1,086,261	980,382	689,358	464,898	520,322	570,640	601,712	533,443	534,324	566,150
<b>Total Revenues</b>	<b>41,417,921</b>	<b>40,575,713</b>	<b>37,982,377</b>	<b>34,134,334</b>	<b>31,641,640</b>	<b>30,725,580</b>	<b>30,613,824</b>	<b>30,236,905</b>	<b>29,587,405</b>	<b>28,404,694</b>
<b>Expenditures</b>										
Instruction:										
Regular Instruction	11,078,712	10,288,287	9,549,496	9,342,697	9,149,682	9,335,215	9,224,368	8,835,060	8,777,426	8,721,626
Special Education Instruction	1,383,739	1,504,131	1,558,056	1,315,969	1,280,638	1,251,556	1,137,004	1,117,448	1,188,448	1,071,222
Other Special Instruction	-	-	-	-	-	-	546,776	488,289	418,898	387,082
Other Instruction	1,428,760	1,468,197	1,196,712	1,278,759	1,462,604	1,637,767	1,146,733	1,101,035	1,023,978	913,673
Support Services:										
Tuition	1,666,375	1,381,699	1,814,190	1,860,864	1,627,597	1,483,106	1,486,420	1,426,192	1,263,234	1,470,995
Attendance & Social Work Services	366,015	412,698	385,351	389,149	386,938	373,394	-	-	-	-
Health Services	131,730	151,299	182,685	179,598	179,598	121,511	-	-	-	-
Student & Instruction Related Services	3,381,637	3,242,231	2,701,222	2,792,089	2,786,452	2,830,050	3,223,694	3,026,829	3,071,099	3,037,522
Other Administrative Services	700,582	693,175	632,363	681,449	790,104	751,772	741,732	687,601	630,684	673,806
Central Services	556,160	570,289	522,756	534,852	538,730	459,532	480,463	465,070	436,154	438,479
Administration Information	-	-	-	-	-	-	-	-	-	-
Technology Services	238,718	224,757	239,184	217,208	206,656	200,355	157,281	128,189	197,713	171,997
School Administrative Services	654,321	617,046	637,252	654,446	642,628	619,354	630,393	632,506	613,533	633,561
Plant Operations & Maintenance	3,159,722	2,787,689	2,283,603	1,966,884	2,270,127	2,936,260	2,766,290	2,532,974	2,348,531	2,597,160
Pupil Transportation	2,174,536	1,908,066	1,136,349	1,205,962	1,730,275	1,757,187	1,720,108	1,509,275	1,438,371	1,445,221
Unallocated Benefits	10,639,183	9,856,481	8,886,874	8,265,932	8,160,289	7,481,164	6,670,816	6,119,795	5,615,936	5,615,936
Special Schools	-	-	-	-	-	-	-	-	-	7,531
Business and Other Support Services:										
Capital Outlay	1,228,652	1,939,340	9,298,465	7,616,170	993,946	199,608	263,673	2,460,919	1,116,759	658,656
Debt Service:										
Principal	745,000	1,215,000	675,000	650,000	620,000	610,000	575,000	550,000	535,000	520,000
Interest & Other Charges	768,413	821,313	1,234,264	130,118	161,596	186,308	173,693	197,600	216,308	237,810
<b>Total Expenditures</b>	<b>40,302,255</b>	<b>39,081,698</b>	<b>42,910,317</b>	<b>39,085,234</b>	<b>32,987,860</b>	<b>32,234,138</b>	<b>30,944,444</b>	<b>31,278,780</b>	<b>28,894,029</b>	<b>28,602,278</b>
Other Financing Sources/(Uses):										
Capital Leases (Non-budgeted)	-	-	-	2,768,200	300,000	-	-	-	-	-
Proceeds on Bonds	-	-	-	19,450,000	-	-	-	-	-	-
Proceeds of Bond Anticipation Notes	-	-	-	(1,700,000)	1,700,000	-	-	-	-	-
Transfers in	-	-	87,067	29,136	800,000	-	-	-	-	-
Transfers Out	-	-	(122,359)	(29,136)	(800,000)	-	-	-	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>(35,292)</b>	<b>20,518,200</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,115,666</b>	<b>\$ 1,494,015</b>	<b>\$ (4,963,232)</b>	<b>\$ 15,567,301</b>	<b>\$ 653,779</b>	<b>\$ (1,508,559)</b>	<b>\$ (330,619)</b>	<b>\$ (1,041,875)</b>	<b>\$ 693,376</b>	<b>\$ (197,584)</b>
Debt Service as a Percentage of Noncapital Expenditures	3.90%	5.50%	4.66%	2.04%	2.43%	2.53%	2.48%	2.45%	2.67%	2.72%

Source: ACFR Schedule B-2

**RED BANK REGIONAL HIGH 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>REFUND OF PRIOR YEAR EXPENDITURES</u>	<u>RENTALS</u>	<u>INTEREST ON INVESTMENTS</u>	<u>INTEREST ON CAPITAL RESERVE</u>	<u>TUITION OTHER</u>	<u>TRANSPORTATION FEES</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2023	\$ -	\$ 1,374	\$ -	\$ 103,867	\$ 3,315,257	\$ 145,915	\$ 259,618	\$ 3,826,031
2022	-	550	-	-	3,236,490	191,131	44,364	3,472,535
2021	-	1,202	-	-	3,324,396	96,346	60,510	3,482,454
2020	-	5,989	-	-	3,145,744	84,446	193,790	3,429,969
2019	-	24,448	-	-	2,564,030	-	138,153	2,726,631
2018	-	4,078	-	12,464	2,826,189	83,002	27,207	2,952,939
2017	-	5,160	-	-	3,364,042	92,210	45,352	3,506,764
2016	-	1,803	-	-	3,717,747	172,391	37,672	3,929,614
2015	-	8,434	-	-	3,996,169	132,871	89,010	4,226,484
2014	10,394	61,888	125	1,635	3,858,250	132,028	66,204	4,130,522

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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**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**  
*Unaudited*

**RED BANK BOROUGH**

Year Ending December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment
2014	\$ 26,904,400	\$ 1,304,980,421	-	-	\$ 656,484,700	\$ 43,564,600	\$ 153,793,800
2015	27,662,000	1,232,412,421	-	-	619,175,000	38,353,100	151,200,400
2016	15,255,500	1,200,435,700	-	-	651,025,800	28,665,200	175,123,800
2017	15,285,900	1,223,134,500	-	-	645,228,700	28,360,900	202,216,200
2018	17,859,600	1,240,059,300	-	-	642,746,900	25,633,900	201,964,200
2019	20,303,100	1,272,362,000	-	-	695,004,700	23,570,600	212,216,000
2020	20,953,800	1,293,632,000	-	-	720,612,300	23,306,000	214,324,300
2021	22,777,000	1,376,161,600	-	-	731,620,000	23,495,700	219,568,900
2022	24,628,300	1,592,880,200	-	-	783,967,900	25,635,300	226,342,700
2023	19,889,700	1,708,715,500	-	-	863,457,300	28,759,700	273,796,100

	Total Assessed Value	Less: Tax - Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2014	\$ 2,447,063,421	\$ 378,260,500	\$ 6,675,440	\$ 2,075,478,361	\$ 2,013,589,296	0.683
2015	2,449,148,800	378,642,800	6,567,944	2,077,073,944	1,990,213,711	0.422
2016	2,490,060,800	375,834,600	7,593,910	2,121,820,110	2,075,371,065	0.445
2017	2,128,263,900	-	8,082,581	2,136,346,481	2,070,506,000	0.438
2018	2,223,456,400	-	7,916,257	2,231,372,657	2,128,263,900	0.483
2019	2,272,828,400	-	8,320,188	2,281,148,588	2,231,776,788	0.483
2020	2,272,828,400	-	8,612,415	2,281,440,815	2,281,440,815	0.526
2021	2,373,623,200	-	9,405,487	2,383,028,687	2,383,028,687	0.519
2022	2,653,454,400	-	9,389,982	2,662,844,382	2,662,844,382	0.483
2023	2,894,618,300	-	9,814,013	2,904,432,313	2,904,432,313	0.478

Source: Municipal Tax Assessor

Note: 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
- R Reassessment of property values
- N/A At the time of ACFR Completion, this data was not yet available

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**  
*Unaudited*

**LITTLE SILVER BOROUGH**

Year Ending December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Less:		Total Direct School Tax Rate <sup>b</sup>	
								Total Assessed Value	Tax-Exempt Property		Public Utilities <sup>a</sup>
2014	\$ 24,062,400	\$ 1,330,815,200	\$ 4,128,500	\$ 17,300	\$ 100,937,900	\$ -	\$ -	\$ 94,957,800	\$ 1,460,935,440	\$ 1,719,005,830	0.439
2015	18,214,300	1,453,902,900	4,339,100	17,300	110,084,100	-	-	96,975,900	1,587,775,099	1,587,775,099	0.439
2016	9,345,600	1,501,675,100	4,035,000	17,300	113,702,100	-	-	-	1,629,955,777	1,628,775,100	0.431
2017	8,067,100	1,535,922,600	4,066,300	17,300	114,869,100	-	-	-	1,664,098,153	1,662,942,400	0.044
2018	8,367,500	1,555,782,800	4,105,500	17,700	118,690,000	-	-	-	1,688,130,667	1,687,350,500	0.431
2019	6,400,400	1,604,282,700	1,846,600	12,000	123,843,751	-	-	-	1,737,561,535	1,736,385,451	0.449
2020	6,359,600	1,601,415,500	4,201,400	18,300	127,383,051	-	-	-	1,740,626,643	1,740,626,643	0.435
2021	6,098,200	1,658,127,600	4,230,300	21,900	127,494,561	-	-	-	1,797,243,776	1,797,243,866	0.395
2022	5,328,600	1,782,679,900	4,579,100	16,800	134,933,751	-	-	-	1,928,808,910	1,928,808,910	0.000
2023	5,171,700	1,955,666,800	4,683,200	16,800	139,492,251	-	-	-	2,106,317,018	2,106,317,018	0.000

Source: Municipal Tax Assessor

Note: 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
- R Reassessment of property values



**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**  
*Unaudited*

**SHREWSBURY BOROUGH**

Year Ending December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment
2014	\$ 18,647,200	\$ 622,889,200	\$ 1,119,600	\$ 12,000	\$ 359,911,200	-	-
2015	7,986,400	702,100,400	1,138,600	12,300	354,940,100	-	-
2016	5,628,000	744,629,400	1,121,200	5,600	356,264,800	-	-
2017	5,747,800	774,208,900	1,133,500	5,500	366,951,800	-	-
2018	10,320,500	795,060,500	1,155,900	5,600	361,883,700	-	-
2019	6,992,900	807,849,900	1,169,900	5,600	364,655,200	-	-
2020	6,494,900	820,525,300	1,193,100	5,600	408,085,700	-	-
2021	3,437,200	838,653,000	1,211,100	5,600	427,192,800	-	-
2022	3,654,800	926,948,700	1,315,700	5,600	440,055,900	-	-
2023	3,244,900	1,042,007,125	1,477,700	5,600	445,489,700	-	-

	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2014	\$ 1,044,221,100	\$ 41,641,900	\$ 1,487,693	\$ 1,001,327,280	\$ 1,011,645,216	0.749
2015	1,123,682,000	57,504,200	1,022,021	1,004,066,893	1,054,941,192	0.762
2016	1,164,917,000	57,268,000	1,155,317	1,067,199,821	1,067,333,117	0.499
2017	1,209,344,500	61,297,000	1,113,711	1,108,804,317	1,116,649,000	0.478
2018	1,168,426,200	-	1,120,813	1,149,161,211	1,168,426,200	0.497
2019	1,180,673,500	-	1,125,717	1,169,547,013	1,180,683,500	0.494
2020	1,236,304,600	-	1,206,309	1,237,510,909	1,237,510,909	0.518
2021	1,270,499,700	-	1,260,410	1,271,760,110	1,271,760,110	0.523
2022	1,371,980,700	-	1,285,145	1,373,265,845	1,373,265,845	0.460
2023	1,492,225,025	-	1,313,916	1,493,538,941	1,493,538,941	0.460

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when 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

R Reassessment of property values

N/A At the time of ACFR Completion, this data was not yet available

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
**(RATE PER \$100 OF ASSESSED VALUE)**  
*Unaudited*

**RED BANK BOROUGH**

Year Ending December 31,	School District Direct Rate				Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School Tax Rate	Borough of Red Bank	Local School Rate	Monmouth County		
2014	0.657	0.026	0.683	0.543	0.396	0.247	1.869	
2015	0.407	0.015	0.422	0.574	0.770	0.267	2.033	
2016	0.429	0.016	0.445	0.551	0.796	0.282	2.074	
2017	0.423	0.015	0.438	0.561	0.802	0.275	2.076	
2018	0.467	0.016	0.483	0.589	0.827	0.283	2.182	
2019	0.467	0.016	0.483	0.637	0.814	0.277	2.211	
2020	0.510	0.016	0.526	0.654	0.814	0.278	2.272	
2021	0.503	0.016	0.519	0.654	0.814	0.278	2.265	
2022	0.453	0.030	0.483	0.565	0.721	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.

The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the

<sup>a</sup> Net Valuation taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

N/A At the time of ACFR Completion, this data was not yet available

**DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
*Unaudited***

**LITTLE SILVER BOROUGH**

Year Ending December 31,	School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School Tax Rate (From J-6)	Borough of Little Silver	Local School Rate	Monmouth County	
2014	0.441	0.016	0.457	0.441	0.791	0.320	2.009
2015	0.424	0.015	0.439	1.679	0.429	0.305	2.852
2016	0.424	0.015	0.439	0.434	0.830	0.295	1.998
2017	0.416	0.015	0.431	0.437	0.831	0.296	1.995
2018	0.410	0.015	0.044	0.434	0.831	0.296	1.998
2019	0.417	0.014	0.431	0.447	0.821	0.291	1.990
2020	0.435	0.014	0.449	0.456	0.833	0.289	2.027
2021	0.422	0.013	0.435	0.456	0.833	0.289	2.013
2022	0.370	0.025	0.395	0.432	0.747	0.246	1.820
2023	0.361	0.016	0.377	0.415	0.781	0.227	1.800

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.

The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.

<sup>a</sup> Rates for debt service are based on each year's requirements.

<sup>b</sup> At the time of ACFR Completion, this data was not yet available

**DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
*Unaudited***

**SHREWSBURY BOROUGH**

Year Ending December 31,	School District Direct Rate				Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School Tax Rate	Borough of Shrewsbury	Local School Rate	Monmouth County		
2014	0.733	0.029	0.762	0.649	0.521	0.325	2.271	
2015	0.481	0.018	0.499	0.663	0.521	0.325	1.977	
2016	0.461	0.017	0.478	0.632	0.684	0.299	2.100	
2017	0.459	0.016	0.475	0.639	0.710	0.296	2.115	
2018	0.480	0.017	0.497	0.634	0.716	0.296	2.141	
2019	0.478	0.016	0.494	0.064	0.727	0.289	2.145	
2020	0.502	0.016	0.518	0.615	0.708	0.282	2.123	
2021	0.507	0.016	0.523	0.615	0.708	0.282	2.128	
2022	0.431	0.029	0.460	0.566	0.663	0.262	1.951	
2023	0.392	0.017	0.409	0.707	0.527	0.241	1.884	

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.

The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.

<sup>a</sup> Rates for debt service are based on each year's requirements.

N/A At the time of ACFR Completion, this data was not yet available

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**  
*Unaudited*

**RED BANK BOROUGH**

	2023			2014		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1		1			1	
Taxpayer 2		2			2	
Taxpayer 3		3			3	
Taxpayer 4		4			4	
Taxpayer 5		5			5	
Taxpayer 6		6			6	
Taxpayer 7		7			7	
Taxpayer 8		8			8	
Taxpayer 9		9			9	
Taxpayer 10		10			10	
Total	\$ -			\$ -		

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**  
*Unaudited*

**LITTLE SILVER BOROUGH**

	2023			2014		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1		1			1	
Taxpayer 2		2			2	
Taxpayer 3		3			3	
Taxpayer 4		4			4	
Taxpayer 5		5			5	
Taxpayer 6		6			6	
Taxpayer 7		7			7	
Taxpayer 8		8			8	
Taxpayer 9		9			9	
Taxpayer 10		10			10	
Total	\$ -			\$ -		

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**  
*Unaudited*

**SHREWSBURY BOROUGH**

	2023			2014		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1		1			1	
Taxpayer 2		2			2	
Taxpayer 3		3			3	
Taxpayer 4		4			4	
Taxpayer 5		5			5	
Taxpayer 6		6			6	
Taxpayer 7		7			7	
Taxpayer 8		8			8	
Taxpayer 9		9			9	
Taxpayer 10		10			10	
Total	\$ -		\$ -	\$ -		\$ -

**DATA NOT AVAILABLE**

Source: Municipal Tax Assessor

**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

Year Ended December 31,	Taxes Levied for the Fiscal Year	Collector Within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	20,098,758	20,098,758	100.00%	-
2015	20,941,324	20,941,324	100.00%	-
2016	21,337,599	21,337,599	100.00%	-
2017	21,750,493	21,750,493	100.00%	-
2018	22,179,080	22,179,080	100.00%	-
2019	22,667,313	22,667,313	100.00%	-
2020	24,099,640	24,099,640	100.00%	-
2021	26,229,954	26,229,954	100.00%	-
2022	26,829,740	26,829,740	100.00%	-
2023	27,917,963	27,917,963	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 a historical view of the School District's outstanding debt and its debt capacity.

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**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

Fiscal Year Ending June 30,	Governmental Activities			Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)			
2014	\$ 4,780,000	\$ -	\$ -	\$ 4,780,000	N/A	218
2015	4,245,000	-	-	4,245,000	N/A	189
2016	3,695,000	-	-	3,695,000	N/A	166
2017	3,120,000	-	-	3,120,000	N/A	141
2018	2,510,000	-	-	2,510,000	N/A	113
2019	1,890,000	197,157	1,700,000	3,787,157	N/A	171
2020	20,690,000	99,973	-	20,789,973	N/A	941
2021	20,015,000	-	-	20,015,000	N/A	918
2022	18,800,000	-	-	18,800,000	N/A	811
2023	18,055,000	-	-	18,055,000	N/A	781

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

b Includes Early Retirement Incentive Plan ("ERIP") refunding  
N/A At the time of ACFR completion, data was not yet available

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

*Unaudited*

USE HFA

<u>Fiscal Year Ending June 30,</u>	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Value <sup>a</sup> of <u>Property</u>	<u>Per Capita<sup>b</sup></u>
	<u>General Obligation Bonds</u>	Net General Bonded Debt <u>Outstanding</u>		
2014	4,780,000	4,780,000	0.10%	218
2015	4,245,000	4,245,000	0.09%	189
2016	3,695,000	3,695,000	0.08%	166
2017	3,120,000	3,120,000	0.08%	166
2018	2,510,000	2,510,000	5.00%	114
2019	1,890,000	1,890,000	0.04%	86
2020	20,690,000	20,690,000	0.40%	936
2021	20,015,000	20,015,000	0.36%	918
2022	18,800,000	18,800,000	0.47%	811
2023	18,055,000	18,055,000	0.41%	781

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

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

**RED BANK REGIONAL HIGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
YEAR ENDED JUNE 30, 2023  
Unaudited**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Red Bank Borough	14,769,710	100.00%	\$ 14,769,710
Little Silver Borough	8,418,493	100.00%	8,418,493
Shrewsbury Borough	7,321,909	100.00%	7,321,909
Monmouth County General Obligation Debt:			
Red Bank Borough	485,746,546	1.75%	8,505,217
Little Silver Borough	485,746,546	1.27%	6,168,050
Shrewsbury Borough	485,746,546	0.90%	<u>4,373,616</u>
Subtotal, Overlapping Debt			49,556,996
Red Bank Regional High School District Direct Debt			<u>18,055,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 67,611,996</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 Borough, Little Silver Borough and Shrewsbury Borough. This process recognized 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.
- N/A At the time of ACFR Completion, this data was not yet available

**RED BANK REGIONAL HIGH SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
*Unaudited***

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized Valuation Basis

	Total	Red Bank Borough	Little Silver Borough	Shrewsbury Borough
2022	\$ 6,259,793,567	\$ 2,840,349,390	\$ 1,928,808,910	\$ 1,490,635,267
2021	5,744,139,684	2,577,232,493	1,797,243,866	1,369,663,325
2020	5,542,650,904	2,494,872,009	1,740,626,643	1,307,152,252
(A)	\$ 17,546,584,155	\$ 7,912,453,892	\$ 5,466,679,419	\$ 4,167,450,844

Average Equalized Valuation of Taxable Property

(A/3)	\$ 5,848,861,385
-------	------------------

Debt Limit (3% of Average Equalization Value) a

(B)	175,465,842
-----	-------------

Total Net Debt Applicable To Limit

(C)	18,055,000
-----	------------

Legal Debt Margin

(B-C)	\$ 157,410,842
-------	----------------

	2014	2015	2016	2017	2018
Debt Limit	\$ 95,143,792	\$ 92,558,031	\$ 93,145,679	\$ 93,706,072	\$ 95,737,050
Total Net Debt Applicable To Limit	5,300,000	4,780,000	4,245,000	3,695,000	3,120,000
Legal Debt Margin	\$ 89,343,792	\$ 89,843,792	\$ 87,778,031	\$ 88,900,679	\$ 92,617,050

Total Net Debt Applicable to the Limit  
as a Percentage of Debt Limit

	5.57%	5.16%	4.56%	3.94%	3.26%
	2019	2020	2021	2022	2023

Debt Limit	\$ 14,637,056,706	\$ 152,611,816	\$ 153,381,829	\$ 160,832,065	\$ 175,465,842
Total Net Debt Applicable To Limit	2,510,000	24,108,200	20,015,000	18,800,000	18,055,000
Legal Debt Margin	\$ 14,634,546,706	\$ 128,503,616	\$ 133,366,829	\$ 133,366,829	\$ 157,410,842

Total Net Debt Applicable to the Limit  
as a Percentage of Debt Limit

	0.02%	15.80%	13.05%	11.69%	10.29%
--	-------	--------	--------	--------	--------

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

a Limit set by N.J.S.A. 18A:24-19 for a 9 through 12 District; other percentage limits would be applicable for other District types.

## **DEMOGRAPHIC AND ECONOMIC STATISTICS**

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which 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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**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
*Unaudited***

**RED BANK BOROUGH**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2014	12,197	823,065,757	67,481	4.60%
2015	12,149	859,736,134	70,766	4.30%
2016	12,122	885,803,028	73,074	3.40%
2017	12,077	916,354,452	75,876	3.20%
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

Source:

<sup>a</sup> Population information provided by U.S. Census Bureau, Population Division

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

<sup>c</sup> Per capita personal income by NJ County estimated per Bureau of Economic Analysis

<sup>d</sup> Unemployment data provided by the Monmouth County Planning Board 2009 Demographics

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
*Unaudited***

**LITTLE SILVER BOROUGH**

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Personal Income<sup>b</sup></u>	<u>Per Capita Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2014	5,885	397,125,685	67,481	4.70%
2015	5,877	415,891,782	70,766	4.40%
2016	5,869	428,871,306	73,074	3.70%
2017	5,866	445,088,616	75,876	3.40%
2018	5,811	460,515,939	79,249	3.00%
2019	5,790	476,343,300	82,270	2.80%
2020	5,772	496,917,252	86,091	2.00%
2021	6,091	561,096,829	92,119	3.80%
2022	6,076	N/A	N/A	2.20%
2023	N/A	N/A	N/A	N/A

Source:

<sup>a</sup> Population information provided by U.S. Census Bureau, Population Division

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

<sup>c</sup> Per capita personal income by NJ County estimated per Bureau of Economic Analysis

<sup>d</sup> Unemployment data provided by the Monmouth County Planning Board 2009 Demographics

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
*Unaudited***

**SHREWSBURY BOROUGH**

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Personal Income<sup>b</sup></u>	<u>Per Capita Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2014	4,027	271,745,987	67,481	4.50%
2015	4,103	290,352,898	70,766	3.50%
2016	4,108	300,187,992	73,074	3.40%
2017	4,097	310,863,972	75,876	3.00%
2018	4,084	323,652,916	79,249	3.00%
2019	4,058	333,851,660	82,270	3.00%
2020	4,040	347,807,640	86,091	2.10%
2021	4,177	561,096,829	92,119	3.90%
2022	4,174	N/A	N/A	2.80%
2023	N/A	N/A	N/A	N/A

Source:

<sup>a</sup> Population information provided by U.S. Census Bureau, Population Division

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

<sup>c</sup> Per capita personal income by NJ County estimated per Bureau of Economic Analysis

<sup>d</sup> Unemployment data provided by the Monmouth County Planning Board 2009 Demographics







## **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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**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**  
*Unaudited*

Function/Program	FISCAL YEAR ENDING JUNE 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction:	130	132	132	132	130	132	133	135	135	135
Support Services:										
Student and Instruction Related Services	34	34	34	32	35	36	36	36	37	37
General Administration	3	3	3	3	3	3	3	3	3	3
School Administrative Services	8	8	8	8	9	9	9	9	9	9
Central Services	5	5	5	5	5	5	5	5	5	5
Administrative Information Technology	3	2	2	3	3	3	3	3	3	3
Plant Operations and Maintenance	12	12	12	11	11	11	11	11	11	11
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
<b>Total</b>	<b>195</b>	<b>196</b>	<b>197</b>	<b>197</b>	<b>195</b>	<b>197</b>	<b>200</b>	<b>201</b>	<b>203</b>	<b>203</b>

Source: District Personnel Records

**RED BANK REGIONAL HIGH SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

School Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	School			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>d</sup>	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2014	1,165	\$ 27,185,812	21,824	-1.24%	126	N/A	N/A	1:9.3	1,169.0	1,112.0	-0.11%	95.12%
2015	1,210	27,025,963	23,335	6.93%	126	N/A	N/A	1:9.3	1,200.5	1,143.7	2.74%	95.27%
2016	1,191	28,070,261	22,336	2.35%	126	N/A	N/A	1:9.3	1,185.0	1,227.0	10.34%	103.54%
2017	1,178	29,932,078	23,569	1.00%	127	N/A	N/A	0.0	1,197.0	1,136.0	-7.42%	94.90%
2018	1,216	31,277,286	25,409	107.81%	127	N/A	N/A	0.0	1,172.0	1,114.0	-1.94%	95.05%
2019	1,208	27,503,325	25,721	101.23%	127	N/A	N/A	0.0	1,176.4	1,116.0	0.18%	94.87%
2020	1,248	27,208,424	25,721	100.00%	128	N/A	N/A	1:9.8	1,247.3	1,205.6	6.02%	99.97%
2021	1,274	29,494,581	23,151	90.01%	128	N/A	N/A	1:9.9	1,261.1	1,171.0	1.11%	92.86%
2022	1,270	27,100,141	21,339	-0.07828845	128	N/A	N/A	1:9.9	1,272.4	1,172.7	0.89%	92.16%
2023	1,303	29,140,496	22,364	0.0480565	128	N/A	N/A	1:9.9	1,290.7	1,208.7	1.42%	93.65%

Note: Enrollment based on annual October District count.

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

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

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

**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

District/Building	FISCAL YEAR ENDING JUNE 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High School:										
Red Bank Regional High School (1975)										
Square Feet	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Capacity (Students)	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346
Enrollment	1,165	1,165	1,165	1,178	1,216	1,216	1,248	1,274	1,270	1,297
Other:										
Athletic Building (1980)										
Square Feet	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Central Administration (1975)										
Square Feet	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Self-Contained Special Education School (1995)										
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Fitness Center (2015)										
Square Feet	-	-	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000

Number of Schools at June 30, 2023  
 Senior High School = 1  
 Other = 0

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 REGIONAL HIGH SCHOOL DISTRICT**  
**SCHEDULE OF REQUIRED MAINTENANCE**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES

	Project # (s)	Red Bank Regional High School	Total
2014	N/A	\$ 606,938	\$ 606,938
2015	N/A	480,400	480,400
2016	N/A	709,626	709,626
2017	N/A	732,530	732,530
2018	N/A	973,811	973,811
2019	N/A	579,284	579,284
2020	N/A	366,969	366,969
2021	N/A	587,656	587,656
2022	N/A	534,324	534,324
2023	N/A	826,745	826,745
Total School Facilities		<u>\$ 6,398,283</u>	<u>\$ 6,398,283</u>

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

Source: District records

**INSURANCE SCHEDULE**  
**JUNE 30, 2023**  
*Unaudited*

Company		Premium	Coverage	Deductible
<b>COMMERCIAL PACKAGE POLICY</b>		\$133,952		
New Jersey School Insurance Group	<b>Property Blanket Building &amp; Contents</b>			
	Real and Personal property		\$500,000,000	\$2,500
	Extra Expense		\$50,000,000	\$2,500
	Valuable Papers and Records		\$10,000,000	\$2,500
	Sublimates: Special Flood Hazard Area Flood Zone		\$25,000,000	\$500,000
	Flood (All Zones)		\$75,000,000	\$10,000
	Earthquake		\$50,000,000	
	Data Processing Equipment including Data & Media		\$500,000	
	Combined Single Limit per Accident			
	for Property Damage & Business Income		\$100,000,000	\$25,000
	Public Employee Dishonesty with Faithful Performance		\$500,000	\$1,000
	<b>Comprehensive General Liability</b>			
	Bodily Injury and Property Damage		\$11,000,000	
	Products and Completed Operations		\$11,000,000	
	Sexual Abuse		\$11,000,000 Per Occurrence	
	Personal Injury and Advertising Injury		\$11,000,000	
	Employee Benefits Liability		\$11,000,000	\$1,000
	Any Auto		\$11,000,000 Per Accident	
New Jersey School Insurance Group	<b>School Board Legal Liability</b>	\$51,314	\$1,000,000	\$5,000
New Jersey School Insurance Group	<b>Workers Compensation</b>	\$129,746		
Fireman's Fund	<b>Excess Liability</b>	\$9,549	\$11,000,000	
Evolve	<b>Cyber Liability</b>			
	Cyber Incident Response	\$35,900	\$3,000,000	
	<b>Surety Bonds</b>			
Selective	Business Administrator	\$700	\$250,000	
Selective	Assistant Business Administrator	\$700	\$250,000	
QBE Insurance Corp	<b>Student Accident</b>	\$164,500	\$1,000,000	

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**SINGLE AUDIT SECTION**

Fourth Section

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Certified Public Accountants + Advisors

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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 Regional High School District  
County of Monmouth  
Little Silver, NJ 07739

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 Regional High 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 November 9, 2023.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Red Bank Regional High 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 Regional High 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.

### **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.

Robert W. Allison  
Certified Public Accountant  
Public School Accountant, #897

Lakewood, New Jersey  
November 9, 2023



EXHIBIT K-2

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

Honorable President and Members  
of the Board of Education  
Red Bank Regional High School District  
County of Monmouth  
Little Silver, NJ 07739

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

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

We have audited the Red Bank Regional High 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 Regional High 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 Regional High 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 Regional High 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 Regional High 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 Red Bank Regional High 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.

Robert W. Allison  
Certified Public Accountant  
Public School Accountant, #897

Lakewood, New Jersey  
November 9, 2023

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

ASSISTANCE LISTING NUMBER	FEDERAL IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE 6/30/2022	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	UNEARNED REVENUE	BALANCE, JUNE 30, 2023		
												ACCOUNTS RECEIVABLE	DUPLICATE TO GRANITOR	
93.778	2005NJMAP	100-034-7540-211	\$ 18,264	7/1/22-6/30/23	(2,823)	-	18,264	(18,264)	-	2,823	-	-	-	
93.778	2005NJMAP	100-034-7540-211	609	1/1/21-12/31/21	-	-	609	(609)	-	-	-	-	-	
<b>Total U.S. Department of Health and Human Services</b>													2,823	-
<b>Total U.S. Department of Agriculture</b>													2,823	-
10.553	221NF304N1099	100-010-3350-028	17,194	7/1/22-6/30/23	(1,829)	-	16,043	(17,194)	-	-	-	(1,151)	-	
10.553	211NF304N1099	100-010-3350-028	7,253	7/1/21-6/30/22	(1,829)	-	1,829	(1,829)	-	-	-	-	-	
<b>Total U.S. Department of Health and Human Services</b>													(1,829)	(1,151)
10.555	221NF304N1099	100-010-3350-028	141,794	7/1/22-6/30/23	-	-	137,022	(141,794)	-	-	-	(4,772)	-	
10.555	211NF304N1099	100-010-3350-028	41,368	7/1/21-6/30/22	(16,974)	-	16,974	-	-	-	-	-	-	
10.555	221NF304N1099	100-010-3350-026	4,094	7/1/22-6/30/23	-	-	3,964	(4,094)	-	-	-	(130)	-	
10.555	231NF344N8903	100-010-3350-118	41,821	10/1/22-9/30/24	-	-	41,821	-	-	-	-	-	-	
10.555	221NF344N8903	100-010-3350-118	29,200	7/1/22-9/30/23	-	-	29,200	-	-	-	-	-	-	
10.555	221NF304N1099	Unavailable	40,273	7/1/22-6/30/23	(16,974)	-	269,254	(257,182)	-	-	-	(4,902)	-	
<b>Total Child Nutrition Cluster</b>													(16,974)	(4,902)
<b>Total U.S. Department of Agriculture</b>													(16,974)	(4,902)
84.010	S010A210030	100-034-5064-194	115,736	7/1/22-9/30/23	(17,602)	-	85,559	(131,464)	-	4,027	-	(45,905)	-	
84.010	S010A210030	100-034-5064-194	116,877	7/1/21-9/30/22	(17,602)	-	99,134	(131,464)	-	4,027	-	(45,905)	-	
<b>Total Title I - Part A</b>													(17,602)	(45,905)
84.367A	S367A210029	100-034-5063-290	19,485	7/1/22-9/30/23	(4,099)	-	7,897	(17,010)	-	-	-	(9,113)	-	
84.367A	S367A210029	100-034-5063-290	19,078	7/1/21-9/30/22	(4,099)	-	11,996	(17,010)	-	-	-	(9,113)	-	
<b>Total Title II - Part A, Supporting Effective Instruction</b>													(4,099)	(9,113)
84.365A	S365A210030	100-034-5064-187	12,052	7/1/22-9/30/23	(1,642)	-	1,311	(5,144)	-	-	-	(3,833)	-	
84.365A	S365A210030	100-034-5064-187	12,990	7/1/21-9/30/22	(1,642)	-	506	-	-	1,136	-	-	-	
84.365A	S365A210030	100-034-5064-187	6,346	7/1/22-9/30/23	(1,493)	-	290	(3,655)	-	-	-	(3,365)	-	
84.365A	S365A210030	100-034-5064-187	4,899	7/1/21-9/30/22	(1,493)	-	239	-	-	964	-	-	-	
<b>Total Title III - English Language Acquisition</b>													(1,493)	(3,365)
84.027X	H027X210100	100-034-5064-094	91,283	7/1/21-9/30/22	-	-	14,018	(17,911)	-	-	-	(3,893)	-	
84.027A	H027A210100	100-034-5065-016	387,313	7/1/22-9/30/23	(114,078)	-	352,673	(371,675)	-	-	-	(19,002)	-	
84.027A	H027A210100	100-034-5065-016	385,408	7/1/21-9/30/22	(114,078)	-	45,702	-	-	41,666	-	(26,710)	-	
<b>Total Special Education Cluster</b>													(114,078)	(49,605)
21.027	SLRFD0E1S	Unavailable	174,486	7/1/22-9/30/23	(78,039)	-	-	(174,486)	-	-	-	(174,486)	-	
21.027	SLRFD0E1S	Unavailable	78,039	7/1/21-9/30/22	(78,039)	-	78,039	(78,039)	-	-	-	(174,486)	-	
<b>Total Education Stabilization Fund</b>													(78,039)	(174,486)
84.423D	S423D210027	100-034-5120-518	376,964	3/13/20-9/30/23	(90,991)	-	233,001	(151,043)	-	(12,380)	-	(31,413)	-	
84.423D	S423D210027	100-034-5120-518	23,000	3/13/20-9/30/23	(3,682)	-	10,555	(22,062)	-	-	-	(1,500)	-	
84.423U	S423U210027	100-034-5120-518	9,970	3/13/20-9/30/24	(1,080)	-	40,985	(40,475)	-	-	-	(2,050)	-	
84.423U	S423U210027	100-034-5120-518	98,281	3/13/20-9/30/24	(1,080)	-	14,212	(26,686)	-	12,380	477	(13,524)	-	
84.425U	S425U210027	100-034-5120-518	40,000	3/13/20-9/30/24	(3,600)	-	7,078	(2,536)	-	-	-	(430)	-	
84.425U	S425U210027	100-034-5120-518	40,000	3/13/20-9/30/24	(111,703)	-	322,796	(268,598)	-	-	1,419	(58,924)	-	
<b>Total ARP Summer Learning and Enrichment</b>													(111,703)	(58,924)
<b>Total ARP Evidence Based Comprehensive Beyond the School Day</b>													(111,703)	(58,924)
<b>Total U.S. Department of Education</b>													(328,656)	(889,943)
<b>Total Expenditures of Federal Awards</b>													1,232,993	1,419
<b>Total Expenditures of Federal Awards</b>													1,232,993	1,419
<b>Total Expenditures of Federal Awards</b>													50,616	(351,284)

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





**RED BANK REGIONAL HIGH 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 Regional High 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 REGIONAL HIGH 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 (\$17,480) for the general fund and \$109,529 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	\$ 18,873	\$ 8,271,389	\$ 8,290,262
Special Revenue Fund	1,067,388	790,316	1,857,704
Debt Service Fund	-	325,892	325,892
Food Service Fund	274,377	6,447	280,824
Total Awards & Financial Assistance	<u>\$ 1,360,638</u>	<u>\$ 9,394,044</u>	<u>\$ 10,754,682</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 Regional High School District had no loan balances outstanding at June 30, 2023.

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

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

**Financial Statements**

Type of auditor's report issued	_____	Unmodified
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
2) Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> none reported
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> no

**Federal Awards**

Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
2) Significant deficiency(ies) identified?	_____ 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 2 CFR 200 section .516(a) of Uniform Guidance?	_____ 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/84.425U	S425D210027/S425U210027	Education Stabilization Fund
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs	\$ _____	750,000
Auditee qualified as low-risk auditee?	_____ <u>X</u> yes	_____ no

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

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

**State Financial Assistance**

Dollar threshold used to determine Type A programs	\$	750,000
Auditee qualified as low-risk auditee?	<u>  X  </u>	yes <span style="margin-left: 100px;"><u>          </u> no</span>
Internal control over major programs:		
1) Material weakness(es) identified?	<u>          </u>	yes <span style="margin-left: 20px;"><u>  X  </u> no</span>
2) Significant deficiency(ies) identified?	<u>          </u>	yes <span style="margin-left: 20px;"><u>  X  </u> none reported</span>
Type of auditor's report issued on compliance for major programs		Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB Circular 15-08?	<u>          </u>	yes <span style="margin-left: 100px;"><u>  X  </u> no</span>

Identification of major programs:

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

**RED BANK REGIONAL HIGH 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 REGIONAL HIGH 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 Principles, 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 REGIONAL HIGH 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.