

**SCHOOL DISTRICT  
OF**

# **BROOKLAWN**

**Brooklawn Board of Education  
Brooklawn, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2019**

**Comprehensive Annual  
Financial Report**

**of the**

**Brooklawn Board of Education**

**Brooklawn, New Jersey**

**For the Fiscal Year Ended June 30, 2019**

**Prepared by  
Brooklawn Board of Education  
Finance Department**

# BROOKLAWN SCHOOL DISTRICT

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## **Introductory Section**

**BROOKLAWN PUBLIC SCHOOL  
301 HAAKON ROAD  
BROOKLAWN, NEW JERSEY 08030**

**Samuel Rosetti**  
**Superintendent of Schools**  
856-456-4039

November 21, 2019

Honorable President and Members of  
The Brooklawn Board of Education  
County of Camden  
Borough of Brooklawn  
301 Haakon Road  
Brooklawn, NJ 08030

Dear Board Members:

The comprehensive annual financial report of the Brooklawn School District for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, 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 results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal regulations, cost principles and audit requirements for federal awards (uniform guidance) and State of New Jersey Circular OMB 15-08. 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, is included in the single audit section of this report

## **1. REPORTING ENTITY AND ITS SERVICES:**

The Brooklawn School district is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the district are included in this report. The Brooklawn Board of Education and Alice Costello School constitute the Districts reporting entity.

The school district consists of one school – Alice Costello School. The district provides a full range of educational services appropriate to grade levels K-8. These include regular, vocational and special education programs. The Brooklawn school district also offers a pre-school program for handicap students. The school district's high school students, grades 9 thru 12 attend Gloucester City High School under a sending/receiving relationship with the Gloucester city Board of Education.

The district completed the 2016-2017 school year, with an average daily enrollment of 311 students. Enrollment peaked in 2014-2015 with 345 students. The past two years has seen a dip in enrollment. This can be attributed to the cap on school choice enrollment

### ***Pupil Enrollments***

SCHOOL YEAR	AVERAGE DAILY ENROLLMENT
2008-2009	323.0
2009-2010	311.2
2010-2011	302.6
2011-2012	340.9
2012-2013	340.9
2013-2014	338.0
2014-2015	344.5
2015-2016	320.3
2016-2017	311.9
2017-2018	310.21
2018-2019	319.53

## **2. ECONOMIC CONDITION AND OUTLOOK:**

Brooklawn, a community of about 4,000 people, lies in the southern portion of Camden County. This community is less than one square mile is comprised primarily of residential units and small retail businesses. It is a stable community with little room for additional development.

## **3. A SNAPSHOT OF OUR SCHOOLS**

Despite its small enrollment, the Alice Costello School with just 319 students is certainly a school worthy of recognition and demonstrates that bigger is not necessarily better.

In December 2003 the Alice Costello School was one of the "Benchmark" Schools in New Jersey and honored by Governor James McGreevey and Commissioner of Education William Librera for exceptional academic achievement at a ceremony in Trenton. The School District continues to attract students through the Inter-District School Choice Program and enrollment continues to increase.

The school provides an outstanding education in a family-like environment. The small class sizes as well as the community support for the district has helped fuel the rise in the district's standardized test scores. The community support also is evident in the various programs and activities in which the children of Brooklawn participate.

The Alice Costello School was Camden County's only Inter-district Public School Choice Program under a pilot program instituted in 2002. Beginning in September 2011 the School choice Program was opened up state wide and now there approximately seventy schools state wide in this program. While school choice students make up more than twenty percent of school enrollment, school choice has been capped by the state and this has impacted enrollment

## **4. INTERNAL ACCOUNTING CONTROLS:**

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

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

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

applicable laws and regulations.

**5. BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary 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 fund, 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.

**6. ACCOUNTING SYSTEM AND REPORTS:**

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

**10. RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**11. OTHER INFORMATION:**

a) **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso and Stewart, RMA/CPAs, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (uniform guidance) and State of New Jersey Circular OMB 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

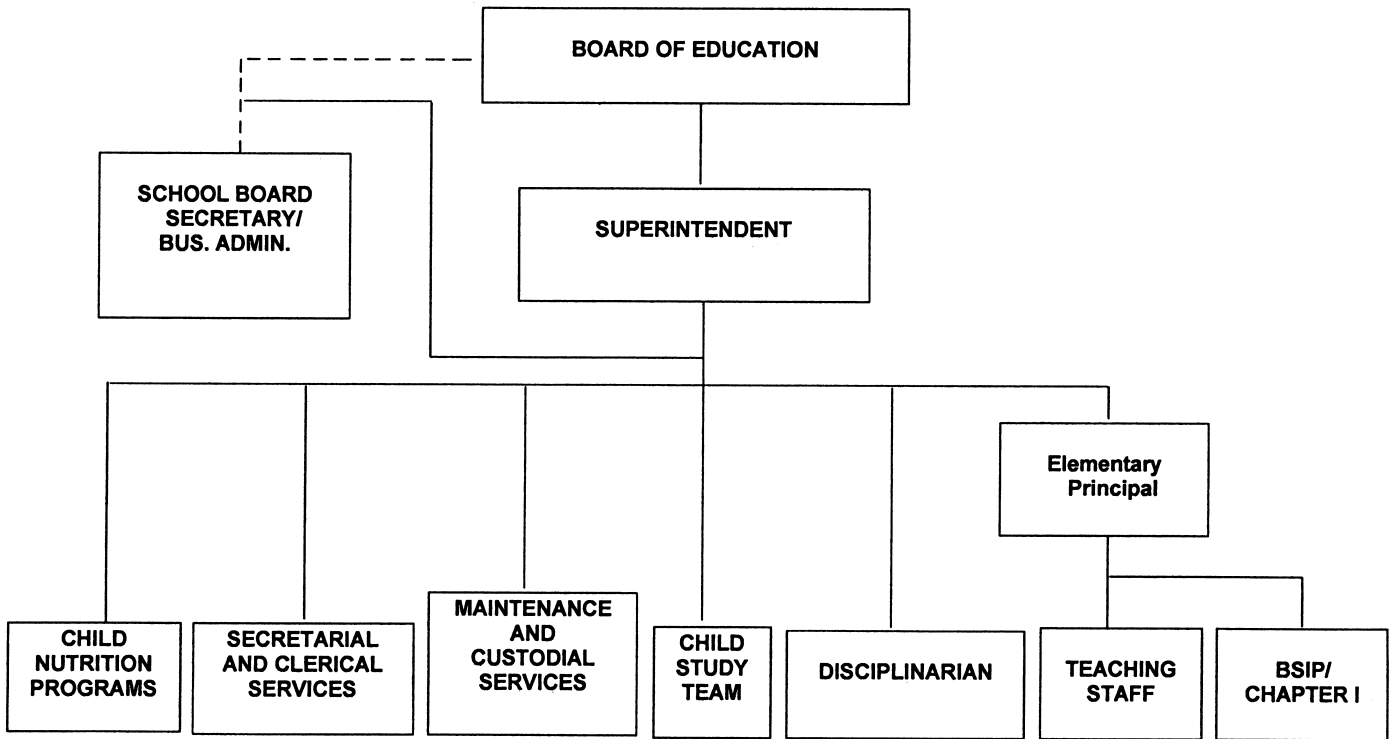
**12. ACKNOWLEDGMENTS:**

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

Respectfully submitted,  
Samuel Rosetti  
Superintendent

Samuel Dutkin  
Board Secretary

**BROOKLAWN PUBLIC SCHOOL DISTRICT**  
Organizational Chart  
2/95



# BROOKLAWN SCHOOL DISTRICT

## Roster of Officials June 30, 2019

### Members of the Board of Education:

### Term Expires

John Clotworthy, President	2021
Katherine Maass, Vice President	2019
Michele Cicelio	2019
James Everett	2020
Taylor Farrow	2020
Iwona Kuczek	2019
Colin MacAdams	2021

### Other Officials:

Samuel Rosetti, Superintendent  
Samuel Dutkin, Business Administrator/Board Secretary  
Debbie Roncace, Treasurer  
Christopher Long, Esq. Solicitor of Wade, Long, Wood and Long, LLC



**BROOKLAWN SCHOOL DISTRICT  
Consultants and Advisors**

**Audit Firm**

Inverso & Stewart, LLC  
651 Route 73 North, Suite 402  
Marlton, NJ 08053

**Attorney**

Christopher Long, Esquire  
Acting for Wade, Wood, Long & Kennedy  
1250 Chews Landing Road  
Laurel Springs, NJ 08021

**Broker of Record**

Richard Hardenbergh Insurance Agency  
PO Box 1000  
Voorhees, NJ 08043

**Official Depository**

1st Colonial National Bank  
1040 Haddon Ave.  
Collingswood, NJ 08108

**Financial Section**

***INVERSO & STEWART, LLC***  
**Certified Public Accountants**

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New Jersey Society of CPAs

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and Members  
of the Board of Education  
Brooklawn School District  
County of Camden  
Brooklawn, New Jersey

***Report on the Financial Statements***

I 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 Brooklawn School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit 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; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## ***Opinions***

In my 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 Brooklawn School District, in the County of Camden, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, and schedule of the School District's contributions, schedule of the State's proportionate share of the net OPEB liability associated with the School District and changes in the total OPEB liability and related ratios 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. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brooklawn 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 Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedule of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, I have also issued my report dated November 21, 2019 on my consideration of the Brooklawn School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Brooklawn School District's internal control over financial reporting and compliance.

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert P. Inverso  
Certified Public Accountant  
Public School Accountant No. CS001095

Marlton, New Jersey  
November 21, 2019

***INVERSO & STEWART, LLC***  
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**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***

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and Members  
 of the Board of Education  
 Brooklawn School District  
 County of Camden  
 Brooklawn, New Jersey

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 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 Brooklawn School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated November 21, 2019.

***Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statements, I considered the Brooklawn School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my 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, I do not express an opinion on the effectiveness of the Brooklawn 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 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Brooklawn School District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests **disclosed 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 which are described in the accompanying *Schedule of Findings and Questioned Costs and Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* as finding no: **2019-001**.

### ***The Brooklawn School District's Response to Findings***

The Brooklawn School District's response to the finding identified in my audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of my 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.

***INVERSO & STEWART, LLC***

Certified Public Accountants



Robert P. Inverso

Certified Public Accountant

Public School Accountant No. CS001095

Marlton, New Jersey  
November 21, 2019

Required Supplementary Information - Part I

Management's Discussion and Analysis



**Brooklawn School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

As management of the Board of Education of the Brooklawn, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$492,595 (*net position*).
- Governmental activities have unrestricted net position deficit of \$1,545,645. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this minimal balance.
- The total net position of the School District decreased by \$81,955, or a 14.26% decrease from the prior fiscal year-end balance. The majority of this decrease is attributable to the increase in net pension liability, decrease in fixed assets and results of operations in the governmental funds.
- Fund balance of the School District's governmental funds decreased by \$197,916 resulting in an ending fund balance of \$1,289,069.
- Business-type activities have unrestricted net position of \$88,249 which may be used to meet the School District's ongoing obligations of the enterprise-related activities (Food Services Program and After School Program).
- The School District's long-term obligations decreased by \$470,689 which is the result of payments on existing debt obligations, decrease in the net pension liability and the decrease in compensated absences.

**Overview of the Basic Financial Statements**

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

**District-wide Financial Statements**

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities consolidate the Food Service Fund and the After School Program.

### **Fund Financial Statements**

*Fund financial statements* are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

*Governmental funds* account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

*Proprietary funds* are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's two enterprise funds (Food Service Fund and After School Program) are listed individually and are considered to be major funds.

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

## Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

### District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued interest expense on long-term debt, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2020. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2020.

The assets of the primary government activities exceeded liabilities by \$400,522 with an unrestricted deficit balance of \$1,545,645. The net position of the primary government does not include internal balances. As mentioned earlier, deficit unrestricted net position is primarily due to the accounting treatment for compensated absences payable, net pension liability, accrued interest expense and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance. Therefore, this deficit balance alone does not indicate that the district is facing financial difficulties.

A net investment of \$389,242 in land, improvements, buildings and equipment which provide the services to the School District's students, represents most of the School District's net position. Net position of \$1,556,925 has been restricted as follows:

Restricted for Future Maintenance Costs	\$ 65,325
Restricted for Future Capital Projects	1,280,152
Restricted for Special Revenue Fund	(6,270)
Restricted for Subsequent Year's Budget	<u>217,718</u>
Total	<u>\$ 1,556,925</u>

**Brooklawn School District  
Comparative Summary of Net Position  
As of June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		District-Wide	
	2019	2018	2019	2018	2019	2018
<b>ASSETS</b>						
Current assets	\$ 1,289,069	\$ 1,804,510	\$ 88,249	\$ 100,938	\$ 1,377,318	\$ 1,905,448
Capital assets	2,478,242	2,698,127	3,824	4,307	2,482,066	2,702,434
Total assets	<u>3,767,311</u>	<u>4,502,637</u>	<u>92,073</u>	<u>105,245</u>	<u>3,859,384</u>	<u>4,607,882</u>
Deferred Outflows of Resources	<u>198,692</u>	<u>297,334</u>			<u>198,692</u>	<u>297,334</u>
<b>LIABILITIES</b>						
Current liabilities	310,588	619,342		1,571	310,588	620,913
Noncurrent liabilities	2,742,238	3,228,673			2,742,238	3,228,673
Total liabilities	<u>3,052,826</u>	<u>3,848,015</u>	<u>-</u>	<u>1,571</u>	<u>3,052,826</u>	<u>3,849,586</u>
Deferred Inflows of Resources	<u>512,655</u>	<u>481,080</u>			<u>512,655</u>	<u>481,080</u>
Net Position	<u>\$ 400,522</u>	<u>\$ 470,876</u>	<u>\$ 92,073</u>	<u>\$ 103,674</u>	<u>\$ 492,595</u>	<u>\$ 574,550</u>
Net Position Consists of:						
Net investment in Capital Assets	\$ 389,242	\$ 379,127	\$ 3,824	\$ 4,307	\$ 393,066	\$ 383,434
Restricted Assets	1,556,925	1,680,419			1,556,925	1,680,419
Unrestricted Assets	<u>(1,545,645)</u>	<u>(1,588,670)</u>	<u>88,249</u>	<u>99,367</u>	<u>(1,457,396)</u>	<u>(1,489,303)</u>
Net Position	<u>\$ 400,522</u>	<u>\$ 470,876</u>	<u>\$ 92,073</u>	<u>\$ 103,674</u>	<u>\$ 492,595</u>	<u>\$ 574,550</u>

**Governmental Activities**

Governmental activities decreased the net position of the School District by \$70,354 during the current fiscal year. Key elements of the decrease in net position for governmental activities are as follows:

- Long-term debt obligations decreased by \$470,689.
- A net decrease in capital assets of 219,885.
- Results of operations in the Governmental Funds decreased the net position by \$197,916.

**Business-type Activities**

- Business-type activities decreased the School District's net position by \$11,601. The decrease came as a result of a loss in the Food Service Fund of \$8,766 and the After School Program of \$2,835, resulting in a loss of \$11,601.

**Comparative Schedule of Changes in Net Position  
As of and for the Fiscal Year Ended June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		District-Wide	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Charges for services	\$ -	\$ -	\$ 36,046	\$ 43,996	\$ 36,046	\$ 43,996
Operating grants and contributions	1,089,870	2,782,583	125,224	134,269	1,215,094	2,916,852
Property taxes	1,391,369	1,079,775			1,391,369	1,079,775
State aid - unrestricted	4,486,115	4,801,154			4,486,115	4,801,154
Other revenues	55,083	38,597			55,083	38,597
<b>Total Revenues</b>	<b>7,022,437</b>	<b>8,702,109</b>	<b>161,270</b>	<b>178,265</b>	<b>7,183,707</b>	<b>8,880,374</b>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
Instruction	2,485,948	2,404,437			2,485,948	2,404,437
Tuition	1,145,481	1,383,288			1,145,481	1,383,288
Related services	622,192	617,261			622,192	617,261
Administrative services	372,033	349,218			372,033	349,218
Operations and Maintenance	374,383	402,748			374,383	402,748
Transportation	145,480	105,525			145,480	105,525
Employee benefits	1,615,835	3,331,575			1,615,835	3,331,575
Interest on debt	73,834	81,925			73,834	81,925
Other	229,605	191,050			229,605	191,050
<b>Business-Type Activities:</b>						
Food Service			171,130	163,094	171,130	163,094
After School Program			29,741	31,499	29,741	31,499
<b>Total Expenses</b>	<b>7,064,791</b>	<b>8,867,027</b>	<b>200,871</b>	<b>194,593</b>	<b>7,265,662</b>	<b>9,061,620</b>
<b>Increase (Decrease) in Net Position before transfers</b>						
	(42,354)	(164,918)	(39,601)	(16,328)	(81,955)	(181,246)
<b>Transfers</b>	<b>(28,000)</b>	<b>(25,000)</b>	<b>28,000</b>	<b>25,000</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>(70,354)</b>	<b>(189,918)</b>	<b>(11,601)</b>	<b>8,672</b>	<b>(81,955)</b>	<b>(181,246)</b>
<b>Net Position, July 1, restated</b>	<b>470,876</b>	<b>660,794</b>	<b>103,674</b>	<b>95,002</b>	<b>574,550</b>	<b>755,796</b>
<b>Net Position, June 30</b>	<b>\$ 400,522</b>	<b>\$ 470,876</b>	<b>\$ 92,073</b>	<b>\$ 103,674</b>	<b>\$ 492,595</b>	<b>\$ 574,550</b>

**Financial Analysis of the Governmental Funds**

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

*Governmental Funds* - The focus of the School 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 School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$1,289,069, a decrease of \$197,916 in comparison with the prior year. The majority of the decrease can be attributed to results of operations in the general fund and capital projects fund.

The unassigned fund balance for the School District at the end of the fiscal year includes a combination of an unassigned deficit fund balance for the General Fund of \$267,856, a deficit fund balance of \$6,270 for the Special Revenue Fund an unassigned fund balance for the Capital Projects Fund of \$1,117,947. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed as follows: 1) appropriated as a revenue source in the subsequent year's budget \$217,718, 2) reserved for future maintenance projects \$65,325, and 3) reserved for future capital projects \$162,205.

The general fund is the chief operating fund of the School District. As discussed earlier, the minimal balance in the unassigned fund balance is due, primarily, to the accounting treatment of the June state aid payments as discussed in the notes to the basic financial statements, and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

Revenue is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated in the special revenue fund.

### General Fund Budgetary Highlights

The original budget was amended to include an increase in state aids.

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$160,709 while total fund balance (budgetary basis) was \$605,957. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$6,534,850. Unreserved fund balance (budgetary basis) represents 2.46% of expenditures while total fund balance (budgetary basis) represents 9.27% of that same amount.

### Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totaled \$2,482,066 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$220,368, or a 8.15% decrease. This decrease is mainly attributable to depreciation expense.

#### Capital Asset (net of accumulated depreciation) June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		District-Wide	
	2019	2018	2019	2018	2019	2018
Land	\$ 110,000	\$ 110,000	\$ -	\$ -	\$ 110,000	\$ 110,000
Const. in Progress	-	25,236			-	25,236
Site Improvements	31,133	34,210			31,133	34,210
Building and Building Improvements	2,255,673	2,424,766			2,255,673	2,424,766
Equipment	81,436	103,915	3,824	4,307	85,260	108,222
<b>Total</b>	<b>\$ 2,478,242</b>	<b>\$ 2,698,127</b>	<b>\$ 3,824</b>	<b>\$ 4,307</b>	<b>\$ 2,482,066</b>	<b>\$ 2,702,434</b>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

**Long-term debt** – During the fiscal year ended June 30, 2019, the School District had total bonded debt outstanding of \$2,089,000 backed by the full faith and credit of the School District.

General obligation bonds for the School District decreased during the current fiscal year according to the normal schedule of payments.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$3,631,614 and the legal debt margin was \$1,542,614.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 6) of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The following factors were considered and incorporated into the preparation of the School District's budget for the 2019-20 fiscal year.

- The district anticipates no increase in state aid for the 2019-2020 fiscal year. The district has been a part of the school choice program since its inception as a pilot program in 2002. Currently school choice students make up approximately one-third of the school's enrollment.
- The Board of Education will continue to monitor expenditures throughout this fiscal year. As we begin budget preparations for the 2019-2020 school year, the Board will closely monitor the district's monetary requirements in conjunction with current economic factors in an effort to prevent an additional burden on the taxpayers of the Brooklawn School District.

### **Requests for Information**

This financial report is designed to provide a general overview of the Brooklawn School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Brooklawn School District, Samuel Dutkin, Business Administrator, 301 Haakon Avenue, Brooklawn, New Jersey, 08030, telephone number (856) 456-4039.

## Basic Financial Statements



District-Wide Financial Statements

**BROOKLAWN SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 234,718	\$ 32,246	\$ 266,964
Receivables, Net	854,821	28,003	882,824
Internal Balances	(28,000)	28,000	
Restricted Cash and Cash Equivalents	227,530		227,530
Capital Assets, Net (Note 5)	2,478,242	3,824	2,482,066
Total Assets	3,767,311	92,073	3,859,384
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows of resources from pensions	198,692		198,692
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
	3,966,003	92,073	4,058,076
<b>LIABILITIES:</b>			
Accounts Payable			
Related to Pensions	37,425		37,425
Accrued Interest Payable	22,573		22,573
Noncurrent Liabilities:			
Due Within One Year	250,590		250,590
Due Beyond One Year	2,742,238		2,742,238
Total Liabilities	3,052,826		3,052,826
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows of resources from pensions	512,655		512,655
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
	3,565,481	-	3,565,481
<b>NET POSITION:</b>			
Net Investment in Capital Assets	389,242	3,824	393,066
Restricted for:			
Capital Projects	1,280,152		1,280,152
Other Purposes	276,773		276,773
Unrestricted	(1,545,645)	88,249	(1,457,396)
Total Net Position	\$ 400,522	\$ 92,073	\$ 492,595

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

**BROOKLAWN SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 1,764,352	\$ -	\$ 194,201	\$ -	\$ (1,570,151)	\$ -	\$ (1,570,151)
Special Education	671,040		108,796		(562,244)		(562,244)
Other instruction	50,556				(50,556)		(50,556)
Support Services:							
Tuition	1,145,481				(1,145,481)		(1,145,481)
Student & instruction related services	622,192		6,850		(615,342)		(615,342)
General administrative services	213,958				(213,958)		(213,958)
School administrative services	5,424				(5,424)		(5,424)
Central services	152,651				(152,651)		(152,651)
Plant operations and maintenance	374,383				(374,383)		(374,383)
Pupil transportation	145,480				(145,480)		(145,480)
Unallocated employee benefits	1,615,835		780,023		(835,812)		(835,812)
Transfer to charter schools	39,809				(39,809)		(39,809)
Interest on long-term debt	73,834				(73,834)		(73,834)
Unallocated depreciation and amortization	189,796				(189,796)		(189,796)
Total Governmental Activities	<u>7,064,791</u>	<u>-</u>	<u>1,089,870</u>	<u>-</u>	<u>(5,974,921)</u>	<u>-</u>	<u>(5,974,921)</u>
Business-Type Activities:							
Food service	171,130	9,140	125,224			(36,766)	(36,766)
After school program	29,741	26,906				(2,835)	(2,835)
Total Business-Type Activities	<u>200,871</u>	<u>36,046</u>	<u>125,224</u>			<u>(39,601)</u>	<u>(39,601)</u>
Total Primary Government	<u>\$ 7,265,662</u>	<u>\$ 36,046</u>	<u>\$ 1,215,094</u>	<u>\$ -</u>	<u>(5,974,921)</u>	<u>(39,601)</u>	<u>(6,014,522)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					1,121,371		1,121,371
Taxes levied for debt service					269,998		269,998
Federal and State aid not restricted					4,486,115		4,486,115
Miscellaneous Income					55,083		55,083
Transfers					(28,000)	28,000	
Total general revenues, special items, extraordinary items and transfers					<u>5,904,567</u>	<u>28,000</u>	<u>5,932,567</u>
Change in Net Position					(70,354)	(11,601)	(81,955)
Net Position - July 1, 2018					470,876	103,674	574,550
Net Position - June 30, 2019					<u>\$ 400,522</u>	<u>\$ 92,073</u>	<u>\$ 492,595</u>

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

Fund Financial Statements

**BROOKLAWN SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

<b>ASSETS</b>	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 85,975	\$ -	\$ 148,743	\$ -	\$ 234,718
Receivables, Net					
District Tax	280,343			89,386	369,729
Intergovernmental		201,065	242,113		443,178
Other Accounts Receivable	41,914				41,914
Interfund		5,348	727,091		732,439
Restricted Cash and Cash Equivalents	<u>227,530</u>				<u>227,530</u>
<b>Total Assets</b>	<u><u>\$ 635,762</u></u>	<u><u>\$ 206,413</u></u>	<u><u>\$ 1,117,947</u></u>	<u><u>\$ 89,386</u></u>	<u><u>\$ 2,049,508</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable					
Interfund Payable	458,370	212,683		89,386	760,439
Unearned Revenues					
<b>Total Liabilities</b>	<u>458,370</u>	<u>212,683</u>		<u>89,386</u>	<u>760,439</u>
 Fund Balances:					
Restricted for:					
Capital Reserve	162,205				162,205
Maintenance Reserve	65,325				65,325
Excess Surplus					
Excess Surplus - Designated for Subsequent Year's Budget	87,718				87,718
Assigned to:					
Subsequent Year's Budget	130,000				130,000
Unassigned	<u>(267,856)</u>	<u>(6,270)</u>	<u>1,117,947</u>		<u>843,821</u>
<b>Total Fund Balances</b>	<u>177,392</u>	<u>(6,270)</u>	<u>1,117,947</u>		<u>1,289,069</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 635,762</u></u>	<u><u>\$ 206,413</u></u>	<u><u>\$ 1,117,947</u></u>	<u><u>\$ 89,386</u></u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$5,178,990 and the accumulated depreciation is \$2,700,748. 2,478,242

Accounts payable related to the April 1, 2020 required PERS contribution that is not to be liquidated with current financial resources. (37,425)

Accrued interest on debt is not due and payable in the current period and therefore is not reported as a liability in the funds. (22,573)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of resources from Pensions	\$ 198,692	
Net Pension Liability	(770,496)	
Deferred Inflows of resources from Pensions	<u>(512,655)</u>	(1,084,459)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:

General Obligation Bonds	(2,089,000)	
Compensated Absences Payable	<u>(133,332)</u>	<u>(2,222,332)</u>

Net position of governmental activities \$ 400,522

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

**BROOKLAWN SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2019**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 1,121,371			\$ 269,998	\$ 1,391,369
Interest earned on capital reserve	800				800
Interest earned on maintenance reserve	325				325
Miscellaneous	53,958				53,958
Total local sources	1,176,454			269,998	1,446,452
State sources	5,190,252	61,778		36,043	5,288,073
Federal sources		287,912			287,912
Total Revenues	6,366,706	349,690		306,041	7,022,437
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	1,616,231	194,201			1,810,432
Special education instruction	562,244	108,796			671,040
Other instruction	50,556				50,556
Support services and undistributed costs:					
Tuition	1,145,481				1,145,481
Student & instruction related services	615,342	6,850			622,192
General administrative services	213,290				213,290
School administrative services	5,424				5,424
Central services	117,522				117,522
Administrative Information Technology	35,129				35,129
Plant operations and maintenance	295,718				295,718
Pupil transportation	145,480				145,480
Unallocated employee benefits	1,639,195	40,765			1,679,960
Capital outlay	53,429				53,429
Transfer to charter schools	39,809				39,809
Debt service:					
Principal				230,000	230,000
Interest and other charges				76,891	76,891
Total Expenditures	6,534,850	350,612		306,891	7,192,353
Excess (Deficiency) of Revenues over (under) Expenditures	(168,144)	(922)		(850)	(169,916)
<b>Other Financing Sources (Uses):</b>					
Transfers in					
Transfers out	(28,000)				(28,000)
Total Other Financing Sources (Uses)	(28,000)				(28,000)
Net Change in Fund Balances	(196,144)	(922)		(850)	(197,916)
Fund Balances - July 1, 2018	373,536	(5,348)	1,117,947	850	1,486,985
Fund Balances - June 30, 2019	\$ 177,392	\$ (6,270)	\$ 1,117,947	\$ -	\$ 1,289,069

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

**BROOKLAWN SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2019**

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ (197,916)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Governmental Funds report capital outlays 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 capital outlays exceeded depreciation in the current period.</p>		
Depreciation expense	\$ (194,649)	
Fixed assets deletions	(25,236)	
Fixed assets additions	(219,885)	(219,885)
<p>Repayment of long-term debt is 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.</p>		
		230,000
<p>Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.</p>		
		64,125
<p>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. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		3,057
<p>In the statement of activities, certain operating expenses, (e.g. compensated absences) 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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)</p>		
		50,265
Change in Net Position of Governmental Activities		\$ (70,354)

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

**BROOKLAWN SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Food Service Fund</b>	<b>After School Program</b>	<b>Total</b>
<b>ASSETS:</b>			
Current Assets:			
Cash and cash equivalents	\$ -	\$ 86,253	\$ 86,253
Accounts receivable:			
State	52	-	52
Federal	27,951	-	27,951
Interfund receivable	28,000	-	28,000
Total Current Assets	56,003	86,253	142,256
Noncurrent Assets:			
Equipment	35,153	-	35,153
Less - accumulated depreciation	(31,329)	-	(31,329)
Total Noncurrent Assets	3,824	-	3,824
Total Assets	59,827	86,253	146,080
<b>LIABILITIES:</b>			
Cash overdraft	54,007	-	54,007
Total Current Liabilities	54,007	-	54,007
<b>NET POSITION:</b>			
Net investment in capital assets	3,824	-	3,824
Unrestricted	1,996	86,253	88,249
Total Net Position	\$ 5,820	\$ 86,253	\$ 92,073

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



**BROOKLAWN SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Food Service Fund</b>	<b>After School Program</b>	<b>Totals</b>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily sales reimbursable programs:			
School lunch	\$ 7,851	\$ -	\$ 7,851
Daily sales non-reimbursable programs:			
Program fees	1,289	26,906	28,195
	9,140	26,906	36,046
Total Operating Revenues			
<b>OPERATING EXPENSES:</b>			
Salaries	37,634	23,932	61,566
Employee benefits	3,118	1,982	5,100
Depreciation	483	-	483
Miscellaneous	5,737	3,827	9,564
Cost of sales - reimbursable programs	115,713	-	115,713
Cost of sales - non-reimbursable programs	8,445	-	8,445
	171,130	29,741	200,871
Total Operating Expenses			
Operating Income (Loss)	(161,990)	(2,835)	(164,825)
<b>Non-Operating Revenues:</b>			
State sources:			
State school lunch program	1,522	-	1,522
Federal sources:			
National school lunch program	87,056	-	87,056
National school breakfast program	36,646	-	36,646
	125,224	-	125,224
Total Non-Operating Revenues			
Income (Loss) before Contributions and Transfers	(36,766)	(2,835)	(39,601)
Operating transfer In	28,000	-	28,000
	(8,766)	(2,835)	(11,601)
Changes in Net Position			
Net Position - July 1, 2018	14,586	89,088	103,674
	\$ 5,820	\$ 86,253	\$ 92,073
Net Position - June 30, 2019			

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

**BROOKLAWN SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Food Service Fund</b>	<b>After School Program</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Cash receipts from customers	\$ 7,851	\$ 26,906	\$ 34,757
Cash payments to employees for services	(40,752)	(25,914)	(66,666)
Cash payments to suppliers for goods and services	(129,895)	(3,827)	(133,722)
Net cash provided by (used for) operating activities	(162,796)	(2,835)	(165,631)
<b>Cash Flows from Noncapital Financing Activities:</b>			
Cash received from state sources	1,470	-	1,470
Cash received from federal sources	126,934	-	126,934
Operating transfer in	-	-	-
Net cash provided by noncapital financing activities	128,404	-	128,404
<b>Cash Flows Provided by Investing Activities:</b>			
Interest earned on cash equivalents	-	-	-
Net cash provided by investing activities	-	-	-
Net increase (decrease) in cash and cash equivalents	(34,392)	(2,835)	(37,227)
Cash and cash equivalents - July 1, 2018	(19,615)	89,088	69,473
Cash and cash equivalents - June 30, 2019	\$ (54,007)	\$ 86,253	\$ 32,246
<b>Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)</b>			
<b>Operating Activities:</b>			
Operating income (loss)	\$ (161,990)	\$ (2,835)	\$ (164,825)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:			
Depreciation	483	-	483
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	282		282
Increase (decrease) in accounts payable	(1,571)	-	(1,571)
Net cash provided by (used for) operating activities	\$ (162,796)	\$ (2,835)	\$ (165,631)

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

**BROOKLAWN SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	Trust Funds			
	Unemployment Compensation Trust	Private Purpose		Agency Funds
		Flowers Memorial Fund	Other Trust Funds	
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 19,321	\$ 40,518	\$ 13,561	\$ 12,690
Total Assets	<u>\$ 19,321</u>	<u>\$ 40,518</u>	<u>\$ 13,561</u>	<u>\$ 12,690</u>
<b>LIABILITIES:</b>				
Payroll deductions payable	\$ -	\$ -	\$ -	\$ 12
Accounts payable	3,036	-	-	-
Due to student groups	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,678</u>
Total Liabilities	<u>3,036</u>	<u>-</u>	<u>-</u>	<u>\$ 12,690</u>
<b>NET ASSETS:</b>				
Held in trust for unemployment claims	<u>\$ 16,285</u>			
Held in trust for other purposes		<u>\$ 40,518</u>	<u>\$ 13,561</u>	

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

**BROOKLAWN SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose</u>	
		<u>Flowers Memorial Fund</u>	<u>Other Funds</u>
<b>ADDITIONS:</b>			
Contributions:			
Employee	\$ 10,270	\$ -	\$ -
Donations	-	50,000	-
Total Contributions	<u>10,270</u>	<u>50,000</u>	<u>-</u>
Investment earnings:			
Interest	93	-	-
Net investment earnings	<u>93</u>	<u>-</u>	<u>-</u>
Total Additions	<u>10,363</u>	<u>50,000</u>	<u>-</u>
<b>DEDUCTIONS:</b>			
Unemployment claims	13,156	-	-
Other expenses	-	73,814	-
Total Deductions	<u>13,156</u>	<u>73,814</u>	<u>-</u>
Change in Net Position	(2,793)	(23,814)	-
Net Position - July 1, 2018	<u>19,078</u>	<u>64,332</u>	<u>13,561</u>
Net Postion- June 30, 2019	<u>\$ 16,285</u>	<u>\$ 40,518</u>	<u>\$ 13,561</u>

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

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** - The Brooklawn School District (“School District”) is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member’s terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. Students in grades 9 through 12 attend, on a tuition basis, the Gloucester City High School District. The Brooklawn School District has an approximate enrollment at June 30, 2019 of 319 students.

The primary criteria for including activities within the School District’s reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School district over which the Board exercises operating control.

**Component Units** – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide 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 Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government’s management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. 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.

**Basis of Presentation**

The basic financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

The School District's basic financial statements consists of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Statements** - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-wide Statements (Continued)** - The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements** - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

**Governmental Funds** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's 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 non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America 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, district taxes and appropriated fund balance. Expenditures are those which 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 and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**Capital Projects Fund** - The capital projects fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically 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 and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Proprietary Funds** - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

**Enterprise Funds** - The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Proprietary Funds (Continued) -**

**Enterprise Funds** –The School District’s enterprise funds are:

**Food Service Fund** - This fund accounts for the financial transactions related to the food service operations of the School District.

**After School Program Fund** - This fund accounts for the financial resources of the School District’s after school program.

All proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into investment in capital assets, net of related debt, and unrestricted net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

**Fiduciary Funds** - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has three fiduciary funds; a flexible spending account, a student activity fund, and a payroll fund.

**Measurement Focus**

**Government-wide Financial Statements** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

**Fund Financial Statements** – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

**Revenues - Exchange and Non-exchange Transactions (Continued)** - Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**Budgets/Budgetary Control** - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for their approval. 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. 6:23A-16.2(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:23A-13.3.

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



**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Budgets/Budgetary Control (Continued)** -The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the 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 accounting as presented in the general fund budgetary comparison schedule 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 balances – governmental funds. Note that the School District does not report encumbrances outstanding at 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 one or more June state aid payments.

**Encumbrances** - Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected in the balance sheet as unearned revenues 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, for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 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), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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.

**Tuition Receivable** - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

**Tuition Payable** - Tuition charges for the fiscal years ended June 30, 2019 and 2018 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Inventories** - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out basis.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed and is not recorded since any amounts are considered immaterial to the basic financial statements.

Inventories recorded in the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

**Prepaid Expenses** - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

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

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

**Short-Term Interfund Receivables / Payables** - Short-term 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. 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.

**Capital Assets** - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

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

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

**Unearned Revenue** - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable 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 on 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, governmental 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. Bonds are recognized as a liability on the fund financial statements when due.

**Net Position** - Net position represents the difference between the 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 component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

**Restricted** - 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 law or regulations of other governments.

**Unrestricted** - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balance** – The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District’s classifications, and policies for determining such classifications, are as follows:

**Nonspendable** – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2019.

**Restricted** – This fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District’s highest level of decision-making authority, which for the School District is the Board of Education. Once committed, 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 imposing the commitment.

**Assigned** – This fund balance classification includes amounts that are constrained by the School District’s *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned** – This fund balance classification is the residual classification for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District’s policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

**Operating and Non-Operating Revenues and Expenses** - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and tuition fees for the before and after school program. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses

**Interfunds** – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Recently Issued Accounting Pronouncements** - In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The adoption of this Statement will not have any effect on the District's financial reporting.

In June 2017, the GASB issued Statement 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The adoption of this Statement may have an effect on the District's financial reporting.

In June 2018, the GASB issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The adoption of this Statement will not have any effect on the District's financial reporting.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. This Statement is designed to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The adoption of this Statement will not have any effect on the District's financial reporting.

In May 2019, the GASB issued Statement 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation: establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The adoption of this Statement will not have any effect on the District's financial reporting.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**2. CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District’s deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District’s amount on deposit of \$758,519 as of June 30, 2019, \$250,000 was insured under FDIC and the remaining balance of \$508,519 was collateralized under GUDPA.

**3. CAPITAL RESERVE ACCOUNT**

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 New Jersey Department of Education, 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 fiscal 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 to 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, 2018 to June 30, 2019 fiscal year is as follows:

Balance July 1, 2018		\$	188,062
Increased by:			
Interest earned	\$	800	
Unspent Appropriations	1,343		2,143
			190,205
Decreased by:			
Appropriated in budget			28,000
Balance June 30, 2019		\$	162,205

The June 30, 2019 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

**4. ACCOUNTS RECEIVABLES**

Accounts receivables at June 30, 2019 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**4. ACCOUNTS RECEIVABLES (Continued)**

Accounts receivable at June 30, 2019 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Proprietary Fund	Total
Intergovernmental						
Federal	\$ -	\$ 201,065	\$ -	\$ -	\$ 27,951	\$ 229,016
State	18,675		242,113	-	52	260,840
Other	303,582			89,386	-	392,968
<b>Total</b>	<b>\$ 322,257</b>	<b>\$ 201,065</b>	<b>\$ 242,113</b>	<b>\$ 89,386</b>	<b>\$ 28,003</b>	<b>\$ 882,824</b>

**5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	<b>Balance June 30, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>
<b>Governmental Activities:</b>				
Land	\$ 110,000	\$ -	\$ -	\$ 110,000
Construction in Progress	25,236	-	(25,236)	-
Total Capital Assets not being				
Depreciation	135,236	-	(25,236)	110,000
Land Improvements	147,364	-	-	147,364
Building and Improvements	4,250,980	-	-	4,250,980
Equipment	670,646	-	-	670,646
Total Historical Cost	5,204,226	-	(25,236)	5,178,990
Less Accumulated Depreciation:				
Land Improvements	(113,154)	(3,077)	-	(116,231)
Building and Improvements	(1,826,214)	(169,093)	-	(1,995,307)
Equipment	(566,731)	(22,479)	-	(589,210)
Total Accumulated Depreciation	(2,506,099)	(194,649)	-	(2,700,748)
Governmental Activities Capital Assets, Net	<u>\$ 2,698,127</u>	<u>\$ (194,649)</u>	<u>\$ (25,236)</u>	<u>\$ 2,478,242</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 35,153	\$ -	\$ -	\$ 35,153
Less - Accumulated Depreciation	(30,846)	(483)	-	(31,329)
Business-Type Activities Capital Assets, Net	<u>4,307</u>	<u>(483)</u>	<u>-</u>	<u>3,824</u>

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**5. CAPITAL ASSETS (Continued)**

Depreciation expense in the amount of \$194,649 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 4,185
General Administration	668
Unallocated	189,796
	<hr/>
Total depreciation expense	<u>\$ 194,649</u>

**6. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2019, the following changes occurred in long-term obligations:

	<u>Principal Outstanding June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2019</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 183,597	\$ 10,102	\$ 60,367	\$ 133,332	\$ 10,590
General Obligation Bonds	2,319,000	-	230,000	2,089,000	240,000
Net Pension Liability	960,920	-	190,424	770,496	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$ 3,463,517</u>	<u>\$ 10,102</u>	<u>\$ 480,791</u>	<u>\$ 2,992,828</u>	<u>\$ 250,590</u>

**Bonds Payable** - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Outstanding bonds issued by the School District are as follows:

2001 General Obligation Bonds dated March 1, 2001 in the amount of \$339,000 due in annual installments through March 1, 2021, bearing an interest rate of 4.95%.

2014 General Obligation Bonds dated September 10, 2014 in the amount of \$1,750,000 due in annual installments through September 1, 2034, bearing interest rates of 2.00% to 3.25%.

As of June 30, 2019, principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 240,000	\$ 66,968	\$ 306,968
2021	249,000	57,300	306,300
2022	100,000	46,938	146,938
2023	100,000	44,737	144,737
2024	100,000	41,738	141,738
2025-2029	565,000	157,762	722,762
2030-2034	610,000	69,013	679,013
2035	125,000	2,031	127,031
	<hr/>	<hr/>	<hr/>
	<u>\$ 2,089,000</u>	<u>\$ 486,487</u>	<u>\$ 2,575,487</u>



**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**6. LONG-TERM OBLIGATIONS (Continued)**

As of June 30, 2019, the School District had no authorizations to issue additional bonded debt.

**Compensated Absences** - Compensated absences will be paid from the fund from which the employees' salaries are paid.

**7. OPERATING LEASES**

At June 30, 2019, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$16,333 for the fiscal year ended June 30, 2019. The future minimum lease payments for these leases are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2020	\$ <u>5,494</u>
Total future minimum lease payments	\$ <u><u>5,494</u></u>

**8. PENSION PLANS**

**Description of Plans** – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). In addition, several School District employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

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

*Plan Description* - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death and disability, and medical benefits to qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

*Vesting and Benefit Provisions* – 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 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 21, 2010
4	Members who were eligible to enroll on or after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**8. PENSION PLANS (Continued)**

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 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 their respective tier.

*Contributions* - The contribution requirements of plan members are determined 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 member contribution rate was 7.50% in State fiscal year 2019. 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.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2019 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2019 was \$316,002 and was paid by April 1, 2019. School District employee contributions to the pension plan during the fiscal year ended June 30, 2019 were \$166,552.

*Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to 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 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.

At June 30, 2019, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2018, the School District recognized pension expense of \$775,282 and revenue of \$775,282 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**8. PENSION PLANS (Continued)**

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

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>06/30/18</u>	<u>06/30/17</u>
Collective deferred outflows of resources	\$ 12,473,998,870	\$ 14,160,879,257
Collective deferred inflows of resources	16,180,773,643	11,800,239,661
Collective net pension liability (Nonemployer – State of New Jersey)	63,617,852,031	67,423,605,859
State's portion of the net pension liability that was associated with the School District	13,298,945	13,257,391
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.0209044234%	.0196628333%

*Actuarial assumptions* – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	2.25%
Salary Increases:	
2011-2026	1.55- 4.55%
Thereafter	2.00 – 5.45%
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

*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, 2017) 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 produced 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.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**8. PENSION PLANS (Continued)**

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	05.00%	05.51%
Cash Equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment Grade Credit	10.00%	03.78%
High Yield	02.50%	06.82%
Global Diversified Credit	05.00%	07.10%
Credit Oriented Hedge Funds	01.00%	06.60%
Debt Related Private Equity	02.00%	10.63%
Debt Related Real Estate	01.00%	06.61%
Private Real Asset	02.50%	11.83%
Equity Related Real Estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. Developed Markets Equity	11.50%	09.00%
Emerging Markets Equity	06.50%	11.64%
Buyouts/Venture Capital	08.25%	13.08%
	100.00%	

*Discount rate.* The discount rate used to measure the State's total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on 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. 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 (State of New Jersey) will be made based on the contribution rate in the most recent fiscal year. The state contributed 50% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**8. PENSION PLANS (Continued)**

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

*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. As such, the proportionate share of the net pension liability as of June 30, 2018, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.86%, 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 (3.25%) or 1 percentage point higher (5.25%) that the current rate

	<b>1% Decrease (3.25%)</b>	<b>Current Discount Rate (4.25%)</b>	<b>1% Increase (5.25%)</b>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	15,719,100	13,298,945	11,292,695
	\$ 15,719,100	\$ 13,298,945	\$ 11,292,695

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

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

*Plan Description* - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS designated purpose to is to provide retirement, death and disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

*Vesting and Benefit Provisions* – The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS

The following represents the membership tiers for PERS:

Tier	Definition
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 21, 2010
4	Members who were eligible to enroll on or after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**8. PENSION PLANS (Continued)**

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 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 their respective tier.

*Contributions* - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.50% in State fiscal year 2019. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 336, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2019 was 16.46% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2019 was \$41,343 and was paid by April 1, 2019. School District employee contributions to the pension plan during the fiscal year ended June 30, 2019 were \$17,288.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Long Term Disability</u>	<u>Chapter 19 P.L. 2009</u>	<u>Total Liability Paid by District</u>
2019	\$ 4,864	\$ 32,290	\$ 1,770	\$ 217	\$ 2,202	\$ 41,343
2018	5,033	31,344	1,864	828	2,190	41,259
2017	7,101	36,139	2,158	527	2,162	48,087

*Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to 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 fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**8. PENSION PLANS (Continued)**

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

At June 30, 2019, the School District reported a liability of \$770,496 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2019, the School District recognized pension expense of (\$24,884). At June 30, 2019, the School District reported a liability of \$770,496 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,693	\$ 3,973
Changes of assumptions	126,965	246,364
Net Difference between projected and actual earnings on pension plan investments		7,227
Changes in proportion	19,609	255,091
District contributions subsequent to the measurement date	37,425	
<b>Total</b>	<b>\$ 198,692</b>	<b>\$ 512,655</b>

\$37,425 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net liability in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2020	\$ (75,046)
2021	(91,513)
2022	(111,919)
2023	(49,418)
2024	(23,492)
<b>Total</b>	<b>\$ (351,388)</b>

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**8. PENSION PLANS (Continued)**

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	5.00
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

**Additional Information**

Collective balances at June 30, 2018 and 2017 are as follows:

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective deferred outflows of resources	\$ 4,684,852,302	\$ 6,424,455,842
Collective deferred inflows of resources	\$ 7,646,736,226	\$ 5,700,625,981
Collective net pension liability	\$ 19,689,501,539	\$ 23,278,401,588
School District's Proportion	.0039132304%	.0041279448%

*Actuarial assumptions* – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018.



**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**8. PENSION PLANS (Continued)**

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

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation rate: 2.25%
- Salary Increases:
  - Through 2026: 1.65-4.15% based on age
  - Thereafter: 2.65-5.15% based on age
- Investment Rate of Return: 7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active employees. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disables Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

*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, 2018) 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 PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	05.00%	05.51%
Cash Equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment Grade Credit	10.00%	03.78%
High Yield	02.50%	06.82%
Global Diversified Credit	05.00%	07.10%
Credit Oriented Hedge Funds	01.00%	06.60%
Debt Related Private Equity	02.00%	10.63%
Debt Related Real Estate	01.00%	06.61%
Private Real Asset	02.50%	11.83%
Equity Related Real Estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. Developed Markets Equity	11.50%	09.00%
Emerging Markets Equity	06.50%	11.64%
Buyouts/Venture Capital	08.25%	13.08%
	<u>100.00%</u>	

**Brooklawn School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019**

**8. PENSION PLANS (Continued)**

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

*Discount rate.* The discount rate used to measure the State's total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The state employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2018, calculated using the discount rate of 5.66%, 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 (4.66%) or 1 percentage point higher (6.66%) than the current rate:

	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
School District's proportionate share of the net pension liability	\$ 968,810	\$ 770,496	\$ 604,123

*Pension Plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

**Defined Contribution Retirement Program (DCRP)**

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<b>Fiscal Year</b>	<b>Total Liability</b>	<b>School District</b>
2019	\$ 11,592	\$ 11,592
2018	7,260	7,260
2017	3,737	3,737

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description and Benefits Provided**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State’s pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been remeasured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year’s \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the remeasured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the school district. Note that actual numbers will be published in the NJ State’s CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>)

*Actuarial assumptions and other imputes* - The total nonemployer OPEB liability as of the June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member enrolled in.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases			
Through 2026	1.55 - 4.55%	2.15 - 4.15%	2.10 - 8.98%
	based on years of service	based on age	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%	3.10 - 9.98%
	based on years of service	based on age	based on age

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2011 – June 30, 2014 and July 1, 2010 – June 30, 2013 for TPAF, PFRS, and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

*Health Care Trend Assumptions* - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

*Discount Rate* - The discount rate for June 30, 2018 and 2016 was 3.87%. This represent 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.

The percentage of the premium for which the retirees will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Changes in the Total Nonemployer OPEB Liability**

The table below summarizes the State's proportionate share of the change in the total nonemployer OPEB liability associated with the School District:

	<u>Total OPEB Liability</u>
Balance as of June 30, 2017	\$ 10,960,039
Changes for the years'	
Service Cost	475,965
Interest	405,011
Changes of benefit terms	
Differences between expected and actual experience	(888,558)
Changes in assumptions	(1,101,948)
Gross Benefit Payments	(256,770)
Contributions from the Non-employer	N/A
Contributions from the Member	8,874
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	<u>\$ (1,357,426)</u>
Balance at 06/30/2018	<u>\$ 9,602,613</u>

**Sensitivity of the total nonemployer OPEB liability to changes in the discount rate** - The following presents the total nonemployer OPEB liability as of June 30, 2018, respectively, associated with the School District, 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 1percentage-point higher than the current rate:

	<u>1% Decrease (2.87%)</u>	<u>Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 11,352,243	\$ 9,602,613	\$ 8,211,838

**Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate** - The following presents the total nonemployer OPEB liability as of June 30, 2018, associated with the School District, 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 1percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 11,617,588	\$ 9,602,613	\$ 7,810,918

**Brooklawn School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019**

**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:**

For the year ended June 30, 2019, the School District recognized \$536,962 in OPEB expense and revenue, in the government-wide financial statements, for the State’s proportionate share of the OPEB Plan’s OPEB Expense, associated with the School District. This expense and revenue was based on the OPEB Plan’s June 30, 2018 measurement date.

In accordance with GASBS No. 75, the School District’s proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District.

At June 30, 2019, the State’s proportionate share of the total nonemployer OPEB liability’s deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and		
actual experiences	\$ -	\$ 932,148
Changes of assumptions	-	2,152,475
<b>Total</b>	<b>\$ -</b>	<b>\$ 3,084,623</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to State’s proportionate share of the total nonemployer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

For the year ended:	
2019	\$ (380,103)
2020	(380,103)
2021	(380,103)
2022	(380,103)
2023	(380,103)
Therafter	(1,184,108)
<b>Total</b>	<b>\$ (3,084,623)</b>

Detailed information about the pension plan’s sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

**10. ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2018, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$398,230, \$180,637, and \$381. In addition, \$160,010 on-behalf payments were made by the state for the employer’s share of social security contributions for TPAF members, as calculated on their base salaries.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**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; employee health and accident claims; and natural disasters.

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

**Joint Insurance Pool** - The School District is a member of the School Alliance Insurance Fund. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained at: School Alliance Insurance Fund, c/o PEGAS, 51 Everett Drive, Suite B-40 West Windsor, New Jersey, 08550.

**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 balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ -	\$ 93	\$ 10,270	\$ 13,156	\$ 16,285
2018	-	46	5,996	1,487	19,078
2017	-	22	6,175	355	14,523

**12. DEFERRED COMPENSATION**

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

**13. 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.

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**13. COMPENSATED ABSENCES (Continued)**

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated 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 the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2019, the liability for compensated absences in the governmental activities was \$133,332.

**14. CONTINGENCIES**

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2019, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

**15. TAX ABATEMENTS**

As defined by the Governmental Accounting Standards Board (GASB), 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.

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.

As of December 31, 2018, the Borough of Brooklawn had no tax abatements.

**16. DEFICIT UNASSIGNED FUND BALANCE**

The School District has a deficit unassigned fund balance of \$267,856 in the General Fund and \$6,270 in the Special Revenue Fund as of June 30, 2019 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year.



**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**16. DEFICIT UNASSIGNED FUND BALANCE (Continued)**

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$267,856 in the General Fund and \$6,270 in the Special Revenue Fund are equal to or less than the June state aid payment.

**17. INTERFUND BALANCES AND TRANSFERS**

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2020. The following interfund balances were recorded on the various balance sheets as of June 30, 2019:

Fund	Interfunds Receivable	Interfunds Payable
General	\$ -	\$ 458,370
Special Revenue	5,348	212,683
Capital Projects	727,091	
Debt Service		89,386
Proprietary	\$ 28,000	
	\$ 760,439	\$ 760,439

**18. DEFICIT UNRESTRICTED NET POSITION**

As of June 30, 2019, a deficit of \$1,545,645 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 is as follows:

Balances, June 30, 2019:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ (267,856)
Liabilities:	
Accrued Interest Payable	(22,573)
Net Pension Differences	(1,121,884)
Compensated Absences	(133,332)
Unrestricted Net Position (Deficit)	\$ (1,545,645)

**Brooklawn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**19. FUND BALANCES**

*RESTRICTED*

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

**General Fund:**

**Excess Surplus** – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict 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, 2019 is \$-0- presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$87,718 of excess fund balance generated during the 2017-2018 fiscal year has been restricted and designated for utilization in the 2019-2020 budget.

**Capital Reserve** – As of June 30, 2019, the balance in the capital reserve account is \$162,205. The entire amount is restricted for future capital outlay expenditures for capital projects in the School District's approved Long-Range Facilities Plan.

**Maintenance Reserve Account** – As of June 30, 2019, the balance in the maintenance reserve account is \$65,325. Of this amount \$40,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2020. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

*ASSIGNED*

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

**General Fund:**

**Designated for Subsequent Year's Expenditures** – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2020, \$130,000 of general fund balance.

*UNASSIGNED*

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

**General Fund** – As of June 30, 2019, the fund balance of the general fund was a deficit of \$267,856, thus resulting in the fund balance classification of unassigned. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 16).

**Special Revenue Fund** – As of June 30, 2019, the fund balance of the general fund was a deficit of \$6,270, thus resulting in the fund balance classification of unassigned. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 16).

**Capital Projects Fund** – As of June 30, 2019, the unassigned fund balance amount was \$1,117,947.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

**BROOKLAWN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local Tax Levy	\$ 1,121,371	\$ -	\$ 1,121,371	\$ 1,121,371	\$ -
Interest earned on capital reserve	100		100	800	700
Interest earned on maintenance reserve	100		100	325	225
Unrestricted misc. revenues	30,000	-	30,000	53,958	23,958
<b>Total local sources</b>	<b>1,151,571</b>		<b>1,151,571</b>	<b>1,176,454</b>	<b>24,883</b>
State sources:					
School Choice aid	462,076		462,076	462,076	
Categorical special education aid	271,023		271,023	271,023	
Equalization aid	3,488,270		3,488,270	3,488,270	
Security aid	110,945		110,945	110,945	
Transportation aid	17,795		17,795	17,795	
Adjustment Aid	132,585	(57,289)	75,296	75,296	
Extraordinary Aid				10,720	10,720
On-behalf TPAF pension contrib. (non-budgeted)				398,230	398,230
On-behalf post retirement med (non-budgeted)				180,637	180,637
On-behalf TPAF LTDI (non-budgeted)				381	381
Reimbursed TPAF social security contribution (non-budgeted)				160,010	160,010
<b>Total state sources</b>	<b>4,482,694</b>	<b>(57,289)</b>	<b>4,425,405</b>	<b>5,175,383</b>	<b>749,978</b>
<b>TOTAL REVENUES</b>	<b>5,634,265</b>	<b>(57,289)</b>	<b>5,576,976</b>	<b>6,351,837</b>	<b>774,861</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	75,250	4,622	79,872	79,872	
Kindergarten	117,250	(52,700)	64,550	64,550	
Grades 1-5	760,439	(104,832)	655,607	655,607	
Grades 6-8	460,247	79,609	539,856	539,856	
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	106,091	70,074	176,165	176,118	47
Purchased technical services	12,000	(12,000)			
Other purchased services	34,000	(2,258)	31,742	31,741	1
General supplies	75,000	(11,293)	63,707	63,707	
Textbooks	20,000	(15,779)	4,221	4,067	154
Other objects	3,000	(2,280)	720	713	7
<b>Total instruction</b>	<b>1,663,277</b>	<b>(46,837)</b>	<b>1,616,440</b>	<b>1,616,231</b>	<b>209</b>
Special Education Instruction:					
Behavioral Disabilities:					
Salaries of teachers		38,080	38,080	38,080	
Other salaries for instruction					
General supplies					
<b>Total behavioral disabilities</b>		<b>38,080</b>	<b>38,080</b>	<b>38,080</b>	
Resource room/resource center:					
Salaries of teachers	312,000	82,838	394,838	394,793	45
Other salaries for instruction	140,292	(11,023)	129,269	129,186	83
General supplies	3,000	(2,815)	185	185	
<b>Total resource room/resource center</b>	<b>455,292</b>	<b>69,000</b>	<b>524,292</b>	<b>524,164</b>	<b>128</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**BROOKLAWN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Part-Time:					
Salaries of teachers	\$ -	\$ -			\$ -
Other salaries for instruction					
General supplies					
Total preschool disabilities - part-time					
Total Special Education - Instruction	455,292	107,080	562,372	562,244	128
Basic Skills/Remedial - Instruction:					
Salaries of teachers	-	-			-
General supplies					
Total preschool disabilities - part-time					
School-Sponsored Cocurricular Act - Instruction:					
Salaries	27,000	2,414	29,414	29,414	
Purchased services	2,500	(700)	1,800	1,787	13
Supplies and materials	2,000	(2,000)			
Other objects	700	(700)			
Total school-sponsored cocurr. act. - instruct.	32,200	(986)	31,214	31,201	13
School-Sponsored Athletics - Instruction:					
Salaries	16,500	(2,300)	14,200	14,200	
Purchased services	6,000	(2,714)	3,286	3,234	52
Supplies and materials	4,000	(2,000)	2,000	1,921	79
Other objects	1,000	(1,000)			
Total school-sponsored athletics - instruct.	27,500	(8,014)	19,486	19,355	131
Total Instruction	2,178,269	51,243	2,229,512	2,229,031	481
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	770,572	101	770,673	770,572	101
Tuition to other LEAs within the state - spec	110,365	62,300	172,665	172,654	11
Tuition to County Voc School District - reg.	19,160		19,160	19,160	
Tuition to CCSD & Regional Day Schools	116,000	(105,822)	10,178	10,178	
Tuition to priv. sch. for the disabled in state	60,000	38,634	98,634	98,634	
Tuition - state facilities	74,283		74,283	74,283	
Total undistributed expenditures - instruction	1,150,380	(4,787)	1,145,593	1,145,481	112
Attendance and Social Work Services:					
Purchased professional and technical services	500	(332)	168		168
Total attendance and social work services	500	(332)	168		168
Health Services:					
Salaries	80,550	8,358	88,908	88,875	33
Purchased professional and technical services	1,000	643	1,643	1,643	
Supplies and materials	2,000	226	2,226	2,226	
Other Objects	2,000	5,095	7,095	7,095	
Total health services	85,550	14,322	99,872	99,839	33
Speech, OT, PT & Related Services:					
Salaries	22,500	(4,500)	18,000	18,000	
Purchased professional and educational services	250,000	(25,799)	224,201	224,201	
Total speech, ot, pt, & related services	272,500	(30,299)	242,201	242,201	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**BROOKLAWN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Child Study Teams:					
Salaries of other professional staff	\$ 104,545	\$ 750	\$ 105,295	\$ 105,295	\$ -
Salaries of secretarial and clerical assistants	14,500	4,616	19,116	19,116	
Other purchased prof. and tech. services	2,000	(829)	1,171	1,115	56
Miscellaneous purchased services	15,000	(9,834)	5,166	5,150	16
Supplies and materials	2,000	417	2,417	2,417	
Other objects	500	(500)			
<b>Total other support services student - special</b>	<b>138,545</b>	<b>(5,380)</b>	<b>133,165</b>	<b>133,093</b>	<b>72</b>
Improvement of Instructional Services:					
Salaries of supervisor of instruction	34,505	892	35,397	35,397	
Salaries of secretarial and clerical assistants	15,853	18,690	34,543	34,543	
Other purchased services	5,000	(1,729)	3,271	3,271	
Supplies and materials	2,500	(2,500)			
<b>Total improvement of instructional services</b>	<b>57,858</b>	<b>15,353</b>	<b>73,211</b>	<b>73,211</b>	
Educational Media Services/School Library:					
Salaries	11,500	4,513	16,013	16,013	
Purchased professional and technical services		900	900	885	15
Supplies and materials	2,000	724	2,724	2,713	11
<b>Total educational media services/school library</b>	<b>13,500</b>	<b>6,137</b>	<b>19,637</b>	<b>19,611</b>	<b>26</b>
Improvement of Instructional Staff Training Services:					
Salaries of supervisor of instruction	34,505	2,607	37,112	37,112	
Salaries of secretarial and clerical assistants	11,707	(6,404)	5,303	5,303	
Other purchased services	5,000	(428)	4,572	4,572	
Supplies and materials	2,000	(1,600)	400	400	
<b>Total improvement of instructional staff train. serv.</b>	<b>53,212</b>	<b>(5,825)</b>	<b>47,387</b>	<b>47,387</b>	
General Administration:					
Salaries	155,318	(11,367)	143,951	143,951	
Legal services	20,000	(7,275)	12,725	12,725	
Audit fees	27,000	(1,300)	25,700	25,700	
Communications / telephone	14,000	4,630	18,630	18,630	
Board of Education other purchased services	1,500	235	1,735	1,735	
Other purchased services	1,500	61	1,561	1,561	
Supplies and materials	1,300	(745)	555	527	28
BOE in-house training/meeting supplies	1,000	(949)	51		51
Miscellaneous expenditures	4,000	1,296	5,296	5,296	
Board of Education dues and fees	3,500	(156)	3,344	3,165	179
<b>Total general administration</b>	<b>229,118</b>	<b>(15,570)</b>	<b>213,548</b>	<b>213,290</b>	<b>258</b>
School Administration:					
Salaries of Principals/Assistant Principals		2,275	2,275	2,275	
Other purchased services	2,000	(1,500)	500	500	
Supplies and materials	300	198	498	449	49
Other objects	1,800	400	2,200	2,200	
<b>Total school administration</b>	<b>4,100</b>	<b>1,373</b>	<b>5,473</b>	<b>5,424</b>	<b>49</b>
Central services					
Salaries	73,500	(13,665)	59,835	59,835	
Purchased professional services		18,500	18,500	18,500	
Purchased technical services	16,000	17,100	33,100	33,100	
Misc. Purchased Services	500	375	875	875	
Supplies and materials	300	337	637	637	
Miscellaneous Expenditures	1,500	3,075	4,575	4,575	
<b>Total central services</b>	<b>91,800</b>	<b>25,722</b>	<b>117,522</b>	<b>117,522</b>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**BROOKLAWN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Administrative Information Technology					
Salaries	\$ 22,000	\$ 2,754	\$ 24,754	\$ 24,754	\$ -
Purchased professional services	3,000	2,097	5,097	5,097	
Purchased technical services	1,000	4,342	5,342	5,278	64
Supplies and materials	1,000	(1,000)			
Other objects	300	(297)	3		3
<b>Total administrative information technology</b>	<b>27,300</b>	<b>7,896</b>	<b>35,196</b>	<b>35,129</b>	<b>67</b>
Required Maintenance School Facilities:					
Salaries	17,000	(17,000)			
Cleaning, repair and maintenance services	23,000	(21,102)	1,898	1,898	
<b>Total required maintenance school facilities</b>	<b>40,000</b>	<b>(38,102)</b>	<b>1,898</b>	<b>1,898</b>	
Custodial Services:					
Salaries	113,750	(4,285)	109,465	109,465	
Purchased professional & technical services	5,000	3,182	8,182	8,182	
Cleaning, repair and maintenance services	12,000	59,638	71,638	71,638	
Other purchased property services	10,000	(2,232)	7,768	7,732	36
Insurance	22,000	(20,000)	2,000	1,985	15
Miscellaneous purchased services	5,000	(5,000)			
General Supplies	42,000	(15,937)	26,063	26,063	
Energy (Natural Gas)		15,814	15,814	15,814	
Energy (Electricity)	71,736	(20,866)	50,870	50,846	24
Other objects	3,000	(905)	2,095	2,095	
<b>Total custodial services</b>	<b>284,486</b>	<b>9,409</b>	<b>293,895</b>	<b>293,820</b>	<b>75</b>
<b>Total operation &amp; maint. of plant services</b>	<b>324,486</b>	<b>(28,693)</b>	<b>295,793</b>	<b>295,718</b>	<b>75</b>
Student Transportation Services:					
Management fee - ESC & CTSA Trans program	4,000	(1,200)	2,800	2,748	52
Contr. serv. - Aid in Lieu Payments - NonPublic	9,000	500	9,500	9,500	
Contr. serv. (between home & sch) - vendor	15,000	13,787	28,787	28,787	
Contr. serv. (not between home & sch) - vendor	35,000	(8,729)	26,271	26,235	36
Contr. serv. (between home & sch) - joint agree.	5,000	10,350	15,350	15,341	9
Contr. serv. (special ed students) - vendor	5,000	29,158	34,158	34,158	
Contr. serv. (special ed students) - ESC's	75,000	(46,284)	28,716	28,711	5
<b>Total student transportation services</b>	<b>148,000</b>	<b>(2,418)</b>	<b>145,582</b>	<b>145,480</b>	<b>102</b>
Unallocated Benefits - Employee Benefits:					
Social security contributions	62,000	9,272	71,272	71,272	
Other retirement contributions - PERS	53,000	3,369	56,369	56,369	
Unemployment compensation	2,000	(2,000)			
Workmen's compensation	31,000	1,000	32,000	31,994	6
Health benefits	786,476	(68,581)	717,895	717,846	49
Tuition reimbursement	9,000	2,000	11,000	11,000	
Other employee benefits	15,000	(3,500)	11,500	11,456	44
Unused sick payment to terminated/retired staff	16,000	(16,000)			
<b>Total unallocated benefits - employee benefits</b>	<b>974,476</b>	<b>(74,440)</b>	<b>900,036</b>	<b>899,937</b>	<b>99</b>
On-behalf TPAF pension contr. (non-budgeted)				398,230	(398,230)
On-behalf TPAF post retirement med. (non-budgeted)				180,637	(180,637)
On-behalf TPAF LTDI (non-budgeted)				381	(381)
Reimbursed TPAF social security contr. (non-budgeted)				160,010	(160,010)
<b>Total Undistributed Expenditures</b>	<b>3,571,325</b>	<b>(96,941)</b>	<b>3,474,384</b>	<b>4,212,581</b>	<b>(738,197)</b>
<b>Total General Current Expense</b>	<b>5,749,594</b>	<b>(45,698)</b>	<b>5,703,896</b>	<b>6,441,612</b>	<b>(737,716)</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)



**BROOKLAWN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Grades 1-5	\$ 3,889	\$ -	\$ 3,889	\$ -	\$ 3,889
Grades 6-8	5,000	(4,400)	600		600
Total equipment	<u>8,889</u>	<u>(4,400)</u>	<u>4,489</u>		<u>4,489</u>
Facilities Acquisition & Construction:					
Construction services	28,000		28,000	26,657	1,343
Assessment for Debt Service on SDA Funding	26,772		26,772	26,772	
Total facilities, acquisition & construction	<u>54,772</u>		<u>54,772</u>	<u>53,429</u>	<u>1,343</u>
Total Capital Outlay	<u>63,661</u>	<u>(4,400)</u>	<u>59,261</u>	<u>53,429</u>	<u>5,832</u>
Transfer of Funds to Charter Schools		39,809	39,809	39,809	
<b>TOTAL EXPENDITURES</b>	<u>5,813,255</u>	<u>(10,289)</u>	<u>5,802,966</u>	<u>6,534,850</u>	<u>(731,884)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(178,990)</u>	<u>(47,000)</u>	<u>(225,990)</u>	<u>(183,013)</u>	<u>42,977</u>
Other Financing Sources:					
Operating transfers out - Enterprise Fund	<u>(25,000)</u>	<u>(3,000)</u>	<u>(28,000)</u>	<u>(28,000)</u>	
Total Other Financing Sources	<u>(25,000)</u>	<u>(3,000)</u>	<u>(28,000)</u>	<u>(28,000)</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(203,990)	(50,000)	(253,990)	(211,013)	42,977
Fund Balance - July 1, 2018	<u>816,970</u>		<u>816,970</u>	<u>816,970</u>	
Fund Balance - June 30, 2019	<u>\$ 612,980</u>	<u>\$ (50,000)</u>	<u>\$ 562,980</u>	<u>\$ 605,957</u>	<u>\$ 42,977</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital reserve				\$ 162,205	
Maintenance reserve				65,325	
Excess surplus - designated for subsequent year's budget				87,718	
Committed Fund Balance:					
Year-end Encumbrances					
Assigned Fund Balance:					
Designated for subsequent year's expenditures				130,000	
Unassigned Fund Balance				<u>160,709</u>	
				605,957	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(428,565)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 177,392</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

**BROOKLAWN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
State sources	\$ 62,700	\$ -	\$ 62,700	\$ 62,700	\$ -
Federal sources	<u>258,297</u>	<u>63,723</u>	<u>322,020</u>	<u>287,912</u>	<u>(34,108)</u>
Total Revenues	<u>320,997</u>	<u>63,723</u>	<u>384,720</u>	<u>350,612</u>	<u>(34,108)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	194,201		194,201	194,201	
Purchased professional technical services		1	1		1
General supplies		18,850	18,850		18,850
Tuition	<u>74,636</u>	<u>34,160</u>	<u>108,796</u>	<u>108,796</u>	
Total instruction	<u>268,837</u>	<u>53,011</u>	<u>321,848</u>	<u>302,997</u>	<u>18,851</u>
Support Services:					
Personal services - employee benefits	39,589	1,176	40,765	40,765	
Purchased professional technical services	<u>12,571</u>	<u>9,536</u>	<u>22,107</u>	<u>6,850</u>	<u>15,257</u>
Total support services	<u>52,160</u>	<u>10,712</u>	<u>62,872</u>	<u>47,615</u>	<u>15,257</u>
Facilities Acq. and Const. Services - instructional equipment					
Instructional equipment					
Non-instructional equipment					
Total Expenditures	<u>320,997</u>	<u>63,723</u>	<u>384,720</u>	<u>350,612</u>	<u>34,108</u>
Total Outflows	<u>320,997</u>	<u>63,723</u>	<u>384,720</u>	<u>350,612</u>	<u>34,108</u>
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

**BROOKLAWN SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budgetary Comparison**  
**For the Fiscal Year Ended June 30, 2019**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 6,351,837	\$ 350,612
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	443,434	5,348
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(428,565)</u>	<u>(6,270)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 6,366,706</u>	<u>\$ 349,690</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 6,534,850	\$ 350,612
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 6,534,850</u>	<u>\$ 350,612</u>

Required Supplementary Information - Part III  
Schedules Related to Accounting and Reporting  
For Pensions and  
Other Post Employment Benefits

**BROOKLAWN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees Retirement System**  
**Last Six Fiscal Years**

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0039132304%	0.0041279448%	0.0051101677%	0.0058046009%	0.0060747060%	0.0056158125%
District's proportionate share of the net pension liability (asset)	\$ 770,496	\$ 960,920	\$ 1,513,485	\$ 1,303,017	\$ 1,137,351	\$1,073,293
District's covered-employee payroll	227,426	255,039	290,099	292,851	317,927	303,481
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	338.79%	376.77%	521.71%	444.94%	357.74%	353.66%
Plan fiduciary net position as a percentage of the total pension liability	40.45%	36.78%	38.21%	38.21%	42.74%	40.71%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

**BROOKLAWN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Contributions**  
**Public Employees Retirement System**  
**Last Six Fiscal Years**

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 37,425	\$ 41,343	\$ 41,259	\$ 47,560	\$ 52,043	\$ 52,205
Contributions in relation to the contractually required contributions	<u>(37,425)</u>	<u>(41,343)</u>	<u>(41,259)</u>	<u>(47,560)</u>	<u>(52,043)</u>	<u>(52,205)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	227,426	255,039	290,099	292,851	317,927	303,481
Contributions as a percentage of covered-employee payroll	16.46%	16.21%	14.22%	16.24%	16.37%	17.20%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

**BROOKLAWN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund**  
**Last Six Fiscal Years**

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0209044234%	0.0196628333%	0.0193116495%	0.0186716918%	0.0192676900%	0.0185112797%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 13,298,945	\$ 13,257,391	\$ 15,191,773	\$ 11,801,307	\$ 10,297,958	\$ 9,355,455
<b>Total</b>	<b>\$ 13,298,945</b>	<b>\$ 13,257,391</b>	<b>\$ 15,191,773</b>	<b>\$ 11,801,307</b>	<b>\$ 10,297,958</b>	<b>\$ 9,355,455</b>
District's covered-employee payroll	2,187,085	2,032,878	2,075,403	2,122,290	1,992,277	1,901,754
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	28.71%	28.71%	33.64%	33.76%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

**BROOKLAWN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District**  
**and Changes in the Total OPEB Liability and Related Ratios**  
**Public Employee's Retirement System and Teachers' Pension and Annuity Fund**  
**Current and Last Fiscal Year**

	June 30, 2019	June 30, 2018
	<u>                    </u>	<u>                    </u>
State's proportion of the net OPEB liability (asset) associated with the District	0.02%	0.02%
District's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 9,602,613	\$ 10,960,039
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 9,602,613</u>	<u>\$ 10,960,039</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%
	June 30, 2019	June 30, 2018
	<u>                    </u>	<u>                    </u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 475,965	\$ 573,824
Interest	405,011	347,804
Difference between expected and actual experiences	(888,558)	
Changes of assumptions	(1,101,948)	(1,468,309)
Member Contributions	8,874	9,348
Benefit payments	<u>(256,770)</u>	<u>(253,858)</u>
<b>Net Change in total OPEB Liability</b>	\$ (1,357,426)	\$ (791,191)
<b>Total OPEB Liability - beginning</b>	<u>\$ 10,960,039</u>	<u>\$ 11,751,230</u>
<b>Total OPEB Liability - ending</b>	<u>\$ 9,602,613</u>	<u>\$ 10,960,039</u>
District's covered-employee payroll	2,414,511	2,287,917
Total OPEB Liability as a percentage of covered-employee payroll	397.70%	479.04%

This schedule does not contain ten years of information as GASB 75 was implemented during the fiscal year ended June 30, 2018.



**Brooklawn School District**  
**Notes to Required Supplementary Information**  
**Pension Schedules**  
**For the Fiscal Year Ended June 30, 2019**

**1. Teacher's Pension and Annuity Fund (TPAF)**

*Changes of benefit term:* There were none.

*Changes of assumptions:* For 2018, the discount rate changed to 4.86% and the long-term rate of return remained at 7.00%. For 2017, the discount rate changed to 4.25% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.22% and the long-term rate of return changed to 7.65% from 7.90%. Also, for 2016, demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012 – June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2013, the discount rate was 4.68%

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

*Changes of benefit term:* There were none.

*Changes of assumptions:* For 2018, the discount rate changed to 5.66% and the long-term rate of return remained at 7.00%. For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98% and the long-term rate of return changed to 7.65% from 7.90%. Also, for 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 – June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further salary increases were assumed to increase between 1.65% and 4.15% (based on age) through year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90% and the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(1)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%

**3. Other Post-Retirement Plan – Public Employees' Retirement System and Teachers' Pension and Annuity Fund**

*Changes of benefit term:* There were none.

*Changes of assumptions:* In 2018 the discount rate changed to 3.87% from 3.85% as of June 30, 2017. In 2018, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions. The discount rate was 2.85% as of June 30, 2016.

Other Supplementary Information

Special Revenue Fund  
Detail Statements

**BROOKLAWN SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures**  
**Budgetary Basis**  
**For the Fiscal Year ended June 30, 2019**

	<b>Preschool Education Program</b>	<b>Title I</b>	<b>Title II A</b>	<b>Title IV</b>	<b>IDEA Basic</b>	<b>IDEA Preschool</b>	<b>Total</b>
<b>REVENUES:</b>							
State sources	\$ 62,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,700
Federal sources		172,266	6,850		108,796		287,912
<b>Total Revenues</b>	<b>62,700</b>	<b>172,266</b>	<b>6,850</b>	<b>-</b>	<b>108,796</b>	<b>-</b>	<b>350,612</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers	62,700	131,501					194,201
Tuition					108,796		108,796
Supplies and Materials							-
<b>Total Instruction</b>	<b>62,700</b>	<b>131,501</b>	<b>-</b>	<b>-</b>	<b>108,796</b>		<b>302,997</b>
Support Services:							
Personal services-employee benefits		40,765					40,765
Purchased professional - technical services			6,850				6,850
<b>Total Support Services</b>	<b>-</b>	<b>40,765</b>	<b>6,850</b>	<b>-</b>			<b>47,615</b>
Facilities acq. and constr. services: Non-Instructional equipment							
<b>Total facilities acq and const services</b>							
<b>Total Expenditures</b>	<b>62,700</b>	<b>172,266</b>	<b>6,850</b>	<b>-</b>	<b>108,796</b>	<b>-</b>	<b>350,612</b>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BROOKLAWN SCHOOL DISTRICT  
Special Revenue Fund  
Statement of Preschool Education Aid  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2019**

**DISTRICT WIDE TOTAL**

	<b>Budgeted</b>	<b>Actual</b>	<b>Variance</b>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of teachers	\$ 62,700	\$ 62,700	\$ -
Other salaries for instruction			-
Purchased professional - technical services			-
General supplies			-
Total instruction	62,700	62,700	
<b>Support Services:</b>			
Personal services - Employee benefits			
Total support services			
Total Expenditures	\$ 62,700	\$ 62,700	\$ -

**SUMMARY OF LOCATION TOTALS**

Total 2018-19 Preschool Education Aid allocation	\$ 62,700
Add: Actual Preschool Education Aid Carryover (June 30, 2018)	
Add: Budgeted transfer from the General Fund 2018-19	
Total Preschool Education Aid Funds available for 2018-19 budget	62,700
Less: 2018-19 Budgeted Preschool Education Aid (including prior year budgeted carryover)	(62,700)
Available & unbudgeted Preschool Education Aid Funds as of June 30, 2019	
Add: June 30, 2019 Unexpended Preschool Education Aid	
2018-19 Actual Carryover - Preschool Education Aid	\$ -
2018-19 Preschool Education Aid Carryover Budgeted in 2019-20	\$ -

Capital Projects Fund  
Detail Statements

**BROOKLAWN SCHOOL DISTRICT  
Capital Projects Fund  
Summary Statement of Revenues, Expenditures,  
and Changes in Fund Balance - Budgetary Basis  
For the Fiscal Year ended June 30, 2019**

**Revenues and Other Financing Sources:**

Transfer from Capital Outlay	\$ -
SDA Grant	
Total revenues and other financing sources	-

**Expenditures and Other Financing (Uses):**

Purchased professional and technical services	-
Construction	
Equipment	
Total expenditures and other financing (uses)	-

Excess (deficiency) or revenues over (under) expenditures

Fund Balance - July 1, 2018	1,117,947
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Fund Balance - June 30, 2019	\$ 1,117,947
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**BROOKLAWN SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**Install Security System - Costello Elementary School**  
**From Inception and for the Fiscal Year ended June 30, 2019**

	Prior Periods	Current Year	Total	Revised Authorized Costs
<b>Revenues and Other Financing Sources:</b>				
State sources - SDA Grant	\$ 104,253	\$ -	\$ 104,253	\$ 104,253
Transfer from capital outlay	48,127		48,127	48,127
Total revenues	152,380		152,380	152,380
 <b>Expenditures and Other Financing Uses:</b>				
Purchased professional and technical services				
Equipment	98,817		98,817	98,817
Total expenditures	98,817		98,817	98,817
 Excess (deficiency) or revenues over (under) expenditures				
	\$ 53,563	\$ -	\$ 53,563	\$ 53,563
 <b>Additional project information:</b>				
Project Number	0580-010-14-1009-GO4			
Grant Date	01/06/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 152,380			
Additional Authorized Cost				
Revised Authorized Cost	\$ 152,380			
 Percentage Increase over Original Authorized Cost				
	0.00%			
Percentage Completion				
	0.00%			
Original target completion date				
	01/31/14			
Revised target completion date				
	N/A			



**BROOKLAWN SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**Emergency Generator and Lighting**  
**From Inception and for the Fiscal Year ended June 30, 2019**

	Prior Periods	Current Year	Total	Revised Authorized Costs
<b>Revenues and Other Financing Sources:</b>				
State sources - SDA Grant	\$ 137,860	\$ -	\$ 137,860	\$ 137,860
Transfer from capital outlay	63,640		63,640	63,640
Total revenues	201,500		201,500	201,500
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional and technical services	28,551		28,551	28,551
Construction	128,221		128,221	128,221
Total expenditures	156,772		156,772	156,772
Excess (deficiency) or revenues over (under) expenditures	\$ 44,728	\$ -	\$ 44,728	\$ 44,728
<b>Additional project information:</b>				
Project Number	0580-010-14-1004-G04			
Grant Date	01/06/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost				
Additional Authorized Cost				
Revised Authorized Cost				
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date	12/31/16			
Revised target completion date	12/31/16			

**BROOKLAWN SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**Acquisition of Property and Renovations**  
**From Inception and for the Fiscal Year ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Proceeds of Bonds	\$ 1,985,000	\$ -	\$ 1,985,000	\$ 1,985,000
Total revenues	<u>1,985,000</u>	<u>-</u>	<u>1,985,000</u>	<u>-</u> <u>1,985,000</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional and technical services	241,937		241,937	241,937
Purchase of building	723,407		723,407	723,407
Total expenditures	<u>965,344</u>	<u>-</u>	<u>965,344</u>	<u>965,344</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 1,019,656</u>	<u>\$ -</u>	<u>\$ 1,019,656</u>	<u>\$ 1,019,656</u>
<b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	01/28/14			
Bonds Authorized	\$ 1,985,000			
Bonds Issued	09/01/14			
Original Authorized Cost	\$ 1,985,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,985,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date	09/01/15			
Revised target completion date	Unknown			

Proprietary Funds  
Detail Statements

**BROOKLAWN SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Net Position**  
**June 30, 2019**

	<u>Food Service Fund</u>	<u>After School Program</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and cash equivalents	\$ -	\$ 86,253	\$ 86,253
Accounts receivable:			
State	52	-	52
Federal	27,951	-	27,951
Interfund receivable	<u>28,000</u>	<u>-</u>	<u>28,000</u>
Total Current Assets	<u>56,003</u>	<u>86,253</u>	<u>142,256</u>
Noncurrent Assets:			
Equipment	35,153	-	35,153
Less - accumulated depreciation	<u>(31,329)</u>	<u>-</u>	<u>(31,329)</u>
Total Noncurrent Assets	<u>3,824</u>	<u>-</u>	<u>3,824</u>
Total Assets	<u>59,827</u>	<u>86,253</u>	<u>146,080</u>
<b>LIABILITIES:</b>			
Cash overdraft	<u>54,007</u>	<u>-</u>	<u>54,007</u>
Total Current Liabilities	<u>54,007</u>	<u>-</u>	<u>54,007</u>
<b>NET POSITION:</b>			
Net investment in capital assets	3,824	-	3,824
Unrestricted	<u>1,996</u>	<u>86,253</u>	<u>88,249</u>
Total Net Position	<u>\$ 5,820</u>	<u>\$ 86,253</u>	<u>\$ 92,073</u>

**BROOKLAWN SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Fund Net Position**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Food Service Fund</b>	<b>After School Program</b>	<b>Totals</b>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily sales reimbursable programs:			
School lunch	\$ 7,851	\$ -	\$ 7,851
Daily sales non-reimbursable programs:			
Program fees	1,289	26,906	28,195
Total Operating Revenues	<u>9,140</u>	<u>26,906</u>	<u>36,046</u>
<b>OPERATING EXPENSES:</b>			
Salaries	37,634	23,932	61,566
Employee benefits	3,118	1,982	5,100
Depreciation	483	-	483
Miscellaneous	5,737	3,827	9,564
Cost of sales - reimbursable programs	115,713	-	115,713
Cost of sales - non-reimbursable programs	8,445	-	8,445
Total Operating Expenses	<u>171,130</u>	<u>29,741</u>	<u>200,871</u>
Operating Income (Loss)	<u>(161,990)</u>	<u>(2,835)</u>	<u>(164,825)</u>
<b>Non-Operating Revenues:</b>			
State sources:			
State school lunch program	1,522	-	1,522
Federal sources:			
National school lunch program	87,056	-	87,056
National school breakfast program	36,646	-	36,646
Total Non-Operating Revenues	<u>125,224</u>	<u>-</u>	<u>125,224</u>
Income (Loss) before Contributions and Transfers	(36,766)	(2,835)	(39,601)
Operating Transfers In/(out)	<u>28,000</u>	<u>-</u>	<u>28,000</u>
Changes in Net Position	(8,766)	(2,835)	(11,601)
Net Position - July 1, 2018	<u>14,586</u>	<u>89,088</u>	<u>103,674</u>
Net Position - June 30, 2019	<u>\$ 5,820</u>	<u>\$ 86,253</u>	<u>\$ 92,073</u>

**BROOKLAWN SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Food Service Fund</u>	<u>After School Program</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>			
Cash receipts from customers	\$ 7,851	\$ 26,906	\$ 34,757
Cash payments to employees for services	(40,752)	(25,914)	(66,666)
Cash payments to suppliers for goods and services	<u>(129,895)</u>	<u>(3,827)</u>	<u>(133,722)</u>
Net cash provided by (used for) operating activities	<u>(162,796)</u>	<u>(2,835)</u>	<u>(165,631)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Cash received from state sources	1,470	-	1,470
Cash received from federal sources	126,934	-	126,934
Operating transfer in	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>128,404</u>	<u>-</u>	<u>128,404</u>
<b>Cash Flows Provided by Investing Activities:</b>			
Interest earned on cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(34,392)	(2,835)	(37,227)
Cash and cash equivalents - July 1, 2018	<u>(19,615)</u>	<u>89,088</u>	<u>69,473</u>
Cash and cash equivalents - June 30, 2019	<u>\$ (54,007)</u>	<u>\$ 86,253</u>	<u>\$ 32,246</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)</b>			
<b>Operating Activities:</b>			
Operating income (loss)	\$ (161,990)	\$ (2,835)	\$ (164,825)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:			
Depreciation	483	-	483
Change in assets and liabilities:			
Increase (decrease) in accounts receivable	282		282
Increase (decrease) in accounts payable	<u>(1,571)</u>	<u>-</u>	<u>(1,571)</u>
Net cash provided by (used for) operating activities	<u>\$ (162,796)</u>	<u>\$ (2,835)</u>	<u>\$ (165,631)</u>

Fiduciary Funds  
Detail Statements

**BROOKLAWN SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2019**

	Trust Funds		Agency Funds		Total
	Unemployment Compensation	Flowers and Other Trust Funds	Student Activity	Payroll	
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 19,321	\$ 54,079	\$ 12,678	\$ 12	\$ 86,090
Total Assets	\$ 19,321	\$ 54,079	\$ 12,678	\$ 12	\$ 86,090
<b>LIABILITIES:</b>					
Liabilities:					
Payroll deductions payable	\$ -	\$ -	\$ -	\$ 12	\$ 12
Accounts payable	3,036	-	-	-	3,036
Due to student groups	-	-	12,678	-	12,678
Total Liabilities	3,036	-	\$ 12,678	\$ 12	15,726
<b>NET POSITION:</b>					
Held in trust for unemployment claims	16,285	-			16,285
Held in trust for other purposes	-	54,079			54,079
Total Net Position	\$ 16,285	\$ 54,079			\$ 70,364



**BROOKLAWN SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Held In Trust</u>			
	<u>Flowers Memorial Funds</u>	<u>Other Trust Funds</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Totals</u>
<b>Additions:</b>				
Employee withholdings	\$ -	\$ -	\$ 10,270	\$ 10,270
Donations	50,000	-	-	50,000
Interest earnings	-	-	93	93
Total Additions	<u>50,000</u>	<u>-</u>	<u>10,363</u>	<u>60,363</u>
<b>Deductions:</b>				
Unemployment compensation insurance claims	-	-	13,156	13,156
Other expenses	<u>73,814</u>	<u>-</u>	<u>-</u>	<u>73,814</u>
Total Deductions	<u>73,814</u>	<u>-</u>	<u>13,156</u>	<u>86,970</u>
Change in Net Position	(23,814)	-	(2,793)	(26,607)
Net Position - July 1, 2018	<u>64,332</u>	<u>13,561</u>	<u>19,078</u>	<u>96,971</u>
Net Position - June 30, 2019	<u>\$ 40,518</u>	<u>\$ 13,561</u>	<u>\$ 16,285</u>	<u>\$ 70,364</u>

**BROOKLAWN SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Student Activity Agency Fund Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2019**

	<u>Balance</u> <u>July 1, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>June 30, 2019</u>
Alice Costello School	\$ 14,392	\$ 2,880	\$ 4,594	\$ -	\$ 12,678
Total all schools	<u>\$ 14,392</u>	<u>\$ 2,880</u>	<u>\$ 4,594</u>	<u>\$ -</u>	<u>\$ 12,678</u>

**BROOKLAWN SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Payroll Agency Fund Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2019**

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ -	\$ 3,425,013	\$ 3,425,001	\$ 12
Total Assets	<u>\$ -</u>	<u>\$ 3,425,013</u>	<u>\$ 3,425,001</u>	<u>\$ 12</u>
 <b>LIABILITIES:</b>				
Net payroll	\$ -	\$ 1,910,929	\$ 1,910,929	\$ -
Interfund payable	-	249	249	-
Payroll deductions and withholdings	<u>-</u>	<u>1,513,835</u>	<u>1,513,823</u>	<u>12</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 3,425,013</u>	<u>\$ 3,425,001</u>	<u>\$ 12</u>

## Long-Term Debt Schedules

**BROOKLAWN SCHOOL DISTRICT**  
**Statement of Serial Bonds**  
**For the Fiscal Year Ended June 30, 2019**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2018	Issued	Retired	Balance June 30, 2019
			Date	Amount					
Renovations and Improvements to school building	3/01/01	\$ 1,559,000	3/01/20	\$ 165,000	4.95%	\$ 494,000	\$ -	\$ 155,000	\$ 339,000
			3/01/21	174,000	4.95%				
2014 School Bonds	09/10/14	1,985,000	09/01/19	75,000	2.00%	1,825,000		75,000	1,750,000
			09/01/20	75,000	2.00%				
			09/01/21	100,000	2.00%				
			09/01/22	100,000	3.00%				
			09/01/23	100,000	3.00%				
			09/01/24	110,000	3.00%				
			09/01/25	110,000	3.00%				
			09/01/26	115,000	3.00%				
			09/01/27	115,000	3.00%				
			09/01/28	115,000	3.00%				
			09/01/29	120,000	3.00%				
			09/01/30	120,000	3.00%				
			09/01/31	120,000	3.00%				
			09/01/32	125,000	3.25%				
			09/01/33	125,000	3.25%				
			09/01/34	125,000	3.25%				
						\$ 2,319,000	\$ -	\$ 230,000	\$ 2,089,000

**BROOKLAWN SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 269,998	\$ -	\$ 269,998	\$ 269,998	\$ -
State sources:					
Debt Service Aid Type II	36,043	-	36,043	36,043	-
Total Revenues	306,041	-	306,041	306,041	-
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	76,891	-	76,891	76,891	-
Redemption of principal	230,000	-	230,000	230,000	-
Total regular debt service	306,891	-	306,891	306,891	-
Excess (Deficiency) of revenues over (under) expenditures	(850)	-	(850)	(850)	-
Other Financing Sources:					
Operating transfers in	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(850)	-	(850)	(850)	-
Fund Balance - July 1, 2018	850	-	850	850	-
Fund Balance - June 30, 2019	\$ -	\$ -	\$ -	\$ -	\$ -

**Statistical Section**

**Brooklawn School District**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

J-1

	<b>Fiscal Years Ended June 30,</b>									
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 1,303,133	\$ 1,225,113	\$ 1,237,298	\$ 1,257,179	\$ 1,291,410	\$ 102,369	\$ 111,445	\$ 331,302	\$ 379,127	\$ 389,242
Restricted for:										
Capital projects	164,237	1	1	193,001	371,148	1,496,268	1,428,206	1,317,354	1,306,009	1,280,152
Debt service	2,925	76,407	73,322	3,936	8,510	4,574	-	-	-	-
Other purposes	242,763	461,230	721,082	569,506	520,586	456,300	442,675	647,655	374,410	276,773
Unrestricted	(330,188)	(285,784)	(383,529)	(377,411)	(416,580)	(1,466,003)	(1,462,752)	(1,635,517)	(1,588,670)	(1,545,645)
<b>Total governmental activities net position</b>	<b>\$ 1,382,870</b>	<b>\$ 1,476,967</b>	<b>\$ 1,648,174</b>	<b>\$ 1,646,211</b>	<b>\$ 1,775,074</b>	<b>\$ 593,508</b>	<b>\$ 519,574</b>	<b>\$ 660,794</b>	<b>\$ 470,876</b>	<b>\$ 400,522</b>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 10,783	\$ 9,250	\$ 14,923	\$ 12,907	\$ 10,891	\$ 8,876	\$ 6,860	\$ 4,790	\$ 4,307	\$ 3,824
Unrestricted	91,374	59,948	76,810	83,271	88,102	84,213	85,779	90,212	99,367	88,249
<b>Total business-type activities net position</b>	<b>\$ 102,157</b>	<b>\$ 69,198</b>	<b>\$ 91,733</b>	<b>\$ 96,178</b>	<b>\$ 98,993</b>	<b>\$ 93,089</b>	<b>\$ 92,639</b>	<b>\$ 95,002</b>	<b>\$ 103,674</b>	<b>\$ 92,073</b>
<b>District-wide:</b>										
Net investment in capital assets	\$ 1,313,916	\$ 1,234,363	\$ 1,252,221	\$ 1,270,086	\$ 1,302,301	\$ 111,245	\$ 118,305	\$ 336,092	\$ 383,434	\$ 393,066
Restricted:										
Capital projects	164,237	1	1	193,001	371,148	1,496,268	1,428,206	1,317,354	1,306,009	1,280,152
Debt service	2,925	76,407	73,322	3,936	8,510	4,574	-	-	-	-
Other purposes	242,763	461,230	721,082	569,506	520,586	456,300	442,675	647,655	374,410	276,773
Unrestricted	(238,814)	(225,836)	(306,719)	(294,140)	(328,478)	(1,381,790)	(1,376,973)	(1,545,305)	(1,489,303)	(1,457,396)
<b>Total district net position</b>	<b>\$ 1,485,027</b>	<b>\$ 1,546,165</b>	<b>\$ 1,739,907</b>	<b>\$ 1,742,389</b>	<b>\$ 1,874,067</b>	<b>\$ 686,597</b>	<b>\$ 612,213</b>	<b>\$ 755,796</b>	<b>\$ 574,550</b>	<b>\$ 492,595</b>



**Brooklawn School District**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

J-2

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Expenses:</b>										
Governmental activities:										
Instruction:										
Regular	\$ 1,695,120	\$ 1,588,913	\$ 1,477,517	\$ 1,671,573	\$ 1,818,367	\$ 1,799,388	\$ 1,717,392	\$ 1,621,568	\$ 1,749,861	\$ 1,764,352
Special education	334,411	320,713	570,061	345,949	260,154	503,864	580,451	582,096	597,585	671,040
Other instruction	46,202	39,222	43,596	54,860	48,523	65,376	62,098	79,500	56,991	50,556
Support Services:										
Tuition	1,300,917	1,225,519	1,361,038	1,583,965	1,604,498	1,062,733	1,181,317	1,053,183	1,383,288	1,145,481
Student & instruction related services	414,350	410,652	484,014	489,193	469,599	631,893	610,295	613,059	617,261	622,192
School administrative services	5,568	3,618	4,675	5,485	3,534	3,788	2,443	2,250	2,790	5,424
Central Services	133,995	188,224	120,318	121,436	137,946	124,359	119,614	123,089	116,075	152,651
General administrative services	181,736	186,227	200,620	220,350	232,535	215,300	211,244	209,599	230,353	213,958
Plant operations and maintenance	427,830	333,079	317,796	306,147	450,098	441,042	490,665	318,872	402,748	374,383
Pupil transportation	155,486	107,724	135,271	160,721	177,586	155,558	151,571	139,883	105,525	145,480
Transfer to charter schools										39,809
Unallocated employee benefits	794,204	819,337	887,433	1,039,560	1,150,633	1,261,888	1,358,038	1,580,152	3,331,575	1,615,835
Interest on long-term debt	80,400	75,672	70,534	66,116	59,531	89,270	95,062	93,100	81,925	73,834
Unallocated depreciation	120,509	120,450	121,004	116,907	116,869	149,207	158,079	178,462	191,050	189,796
Total governmental activities expenses	<u>5,690,728</u>	<u>5,419,350</u>	<u>5,793,877</u>	<u>6,182,262</u>	<u>6,529,873</u>	<u>6,503,666</u>	<u>6,738,269</u>	<u>6,594,813</u>	<u>8,867,027</u>	<u>7,064,791</u>
Business-type activities:										
Food service	113,226	107,205	152,850	165,638	140,993	146,829	161,289	159,568	163,094	171,130
After school program	21,034	17,945	19,746	18,416	21,595	28,410	34,354	37,474	31,499	29,741
Total business-type activities expense	<u>134,260</u>	<u>125,150</u>	<u>172,596</u>	<u>184,054</u>	<u>162,588</u>	<u>175,239</u>	<u>195,643</u>	<u>197,042</u>	<u>194,593</u>	<u>200,871</u>
Total district expenses	<u>\$ 5,824,988</u>	<u>\$ 5,544,500</u>	<u>\$ 5,966,473</u>	<u>\$ 6,366,316</u>	<u>\$ 6,692,461</u>	<u>\$ 6,678,905</u>	<u>\$ 6,933,912</u>	<u>\$ 6,791,855</u>	<u>\$ 9,061,620</u>	<u>\$ 7,265,662</u>
<b>Program Revenues:</b>										
Governmental activities:										
Operating grants and contributions	\$ 475,724	\$ 612,967	\$ 683,913	\$ 715,913	\$ 705,003	\$ 785,610	\$ 1,015,680	\$ 889,299	\$ 2,782,583	\$ 1,089,870
Capital grants and contributions										
Total governmental activities program revenues	<u>475,724</u>	<u>612,967</u>	<u>683,913</u>	<u>715,913</u>	<u>705,003</u>	<u>785,610</u>	<u>1,015,680</u>	<u>889,299</u>	<u>2,782,583</u>	<u>1,089,870</u>

(Continued)

**Brooklawn School District**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Business-type activities:</b>										
Charges for services:										
Food service	\$ 13,751	\$ 12,600	\$ 18,725	\$ 11,881	\$ 10,072	\$ 14,008	\$ 10,572	\$ 10,341	\$ 10,488	\$ 9,140
After school program	30,342	40,505	35,895	26,414	27,002	26,010	39,775	41,006	33,508	26,906
Operating grants and contributions	63,997	71,186	85,071	108,416	95,600	95,843	119,846	128,058	134,269	125,224
Total business type activities program revenues	<u>108,090</u>	<u>124,291</u>	<u>139,691</u>	<u>146,711</u>	<u>132,674</u>	<u>135,861</u>	<u>170,193</u>	<u>179,405</u>	<u>178,265</u>	<u>161,270</u>
Total district program revenues	<u>\$ 583,814</u>	<u>\$ 737,258</u>	<u>\$ 823,604</u>	<u>\$ 862,624</u>	<u>\$ 837,677</u>	<u>\$ 921,471</u>	<u>\$ 1,185,873</u>	<u>\$ 1,068,704</u>	<u>\$ 2,960,848</u>	<u>\$ 1,251,140</u>
<b>Net (Expense)/Revenue:</b>										
Governmental activities	\$ (5,215,004)	\$ (4,806,383)	\$ (5,109,964)	\$ (5,466,349)	\$ (5,824,870)	\$ (5,718,056)	\$ (5,722,589)	\$ (5,705,514)	\$ (6,084,444)	\$ (5,974,921)
Business-type activities	(26,170)	(859)	(32,905)	(37,343)	(29,914)	(39,378)	(25,450)	(17,637)	(16,328)	(39,601)
Total district-wide net expense	<u>\$ (5,241,174)</u>	<u>\$ (4,807,242)</u>	<u>\$ (5,142,869)</u>	<u>\$ (5,503,692)</u>	<u>\$ (5,854,784)</u>	<u>\$ (5,757,434)</u>	<u>\$ (5,748,039)</u>	<u>\$ (5,723,151)</u>	<u>\$ (6,100,772)</u>	<u>\$ (6,014,522)</u>
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,017,497	\$ 1,017,497	\$ 1,017,497	\$ 1,017,497	\$ 1,017,497	\$ 1,017,497	\$ 1,037,846	\$ 1,058,603	\$ 1,079,775	\$ 1,121,371
Taxes levied for debt service	170,786	178,845	188,906	131,730	214,105	215,826	213,149	274,179	268,348	269,998
Unrestricted grants and contributions	3,989,023	3,712,301	4,048,830	4,293,482	4,678,067	4,334,437	4,382,661	4,472,326	4,532,806	4,486,115
State aid restricted for capital purposes										
Investment earnings										
Miscellaneous income	33,906	124,185	77,199	75,030	76,793	31,105	39,999	61,626	38,597	55,083
Prior year state aid receivable canceled		(87,829)								
Transfers	(32,100)	(44,519)	(51,261)	(41,788)	(32,729)	(33,474)	(25,000)	(20,000)	(25,000)	(28,000)
Total governmental activities	<u>5,179,112</u>	<u>4,900,480</u>	<u>5,281,171</u>	<u>5,475,951</u>	<u>5,953,733</u>	<u>5,565,391</u>	<u>5,648,655</u>	<u>5,846,734</u>	<u>5,894,526</u>	<u>5,904,567</u>
Business-type activities:										
Investment earnings										
Contributed capital assets			4,179							
Transfers	32,100	(32,100)	51,261	41,788	32,729	33,474	25,000	20,000	25,000	28,000
Total business-type activities	<u>32,100</u>	<u>(32,100)</u>	<u>55,440</u>	<u>41,788</u>	<u>32,729</u>	<u>33,474</u>	<u>25,000</u>	<u>20,000</u>	<u>25,000</u>	<u>28,000</u>
Total district-wide	<u>\$ 5,211,212</u>	<u>\$ 4,868,380</u>	<u>\$ 5,336,611</u>	<u>\$ 5,517,739</u>	<u>\$ 5,986,462</u>	<u>\$ 5,598,865</u>	<u>\$ 5,673,655</u>	<u>\$ 5,866,734</u>	<u>\$ 5,919,526</u>	<u>\$ 5,932,567</u>
<b>Change in Net Position:</b>										
Governmental activities	\$ (35,892)	\$ 94,097	\$ 171,207	\$ 9,602	\$ 128,863	\$ (152,665)	\$ (73,934)	\$ 141,220	\$ (189,918)	\$ (70,354)
Business-type activities	5,930	(32,959)	22,535	4,445	2,815	(5,904)	(450)	2,363	8,672	(11,601)
Total district-wide	<u>\$ (29,962)</u>	<u>\$ 61,138</u>	<u>\$ 193,742</u>	<u>\$ 14,047</u>	<u>\$ 131,678</u>	<u>\$ (158,569)</u>	<u>\$ (74,384)</u>	<u>\$ 143,583</u>	<u>\$ (181,246)</u>	<u>\$ (81,955)</u>

**Brooklawn School District**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

J-3

	<b>Fiscal Years Ended June 30,</b>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund:										
Restricted for:										
Capital reserve	\$ 1	\$ 1	\$ 1	\$ 193,001	\$ 318,001	\$ 317,601	\$ 161,978	\$ 187,407	\$ 188,062	\$ 162,205
Maintenance reserve					125,000	125,000	125,000	125,000	125,000	65,325
Future tuition payments	116,980	41,980	110,000	110,000						
Excess surplus		294,250	141,832	117,674	192,912	63,388	184,287			
Excess surplus - designated for subsequent year's budget				141,832	117,674	192,912	63,388	103,673	87,718	
Assigned to:										
Year-end Encumbrances	783							216,178		
Designated for subsequent year's budget	125,000	125,000	469,250	200,000	85,000	75,000	70,000	17,667	62,517	130,000
Unassigned	(134,203)	(114,141)	(175,227)	(170,924)	(199,235)	(170,936)	(160,017)	(188,614)	(193,434)	(267,856)
Total general fund	<u>\$ 108,561</u>	<u>\$ 347,090</u>	<u>\$ 545,856</u>	<u>\$ 591,583</u>	<u>\$ 639,352</u>	<u>\$ 602,965</u>	<u>\$ 444,636</u>	<u>\$ 645,598</u>	<u>\$ 373,536</u>	<u>\$ 177,392</u>
All Other Governmental Funds										
Reserved:										
Capital projects fund	\$ 164,236				\$ 53,147	\$ 1,178,667	\$ 1,266,228	\$ 1,129,947	\$ 1,117,947	\$ 1,117,947
Unreserved, reported in:										
Special revenue fund	(14,850)			\$ (7,862)					(5,348)	(6,270)
Debt service fund	2,925	\$ 76,407	\$ 73,322	3,936	8,510	4,574		850	850	
Total all other governmental funds	<u>\$ 152,311</u>	<u>\$ 76,407</u>	<u>\$ 73,322</u>	<u>\$ (3,926)</u>	<u>\$ 61,657</u>	<u>\$ 1,183,241</u>	<u>\$ 1,266,228</u>	<u>\$ 1,130,797</u>	<u>\$ 1,113,449</u>	<u>\$ 1,111,677</u>

**Brooklawn School District**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

J-4

	Fiscal Years Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax levy	\$ 1,188,283	\$ 1,196,342	\$ 1,206,403	\$ 1,149,227	\$ 1,231,602	\$ 1,233,323	\$ 1,250,995	\$ 1,332,782	\$ 1,348,123	\$ 1,391,369
Tuition charges	33,906									
Interest earnings							812	4,602	655	1,125
Miscellaneous		124,185	77,199	75,030	76,793	31,105	39,187	57,024	37,942	53,958
State sources	3,648,761	4,033,558	4,335,173	4,782,740	5,103,251	4,823,658	5,117,297	5,143,312	5,306,276	5,288,073
Federal sources	815,986	291,710	397,570	226,655	279,819	296,389	281,044	218,313	305,381	287,912
Total revenue	<u>5,686,936</u>	<u>5,645,795</u>	<u>6,016,345</u>	<u>6,233,652</u>	<u>6,691,465</u>	<u>6,384,475</u>	<u>6,689,335</u>	<u>6,756,033</u>	<u>6,998,377</u>	<u>7,022,437</u>
<b>Expenditures</b>										
Instruction										
Regular instruction	1,601,421	1,598,003	1,413,015	1,665,224	1,776,161	1,791,645	1,713,036	1,617,211	1,766,037	1,810,432
Special education instruction	334,411	320,713	570,061	345,949	260,154	503,864	580,451	582,096	597,585	671,040
Other instruction	46,202	39,222	43,596	54,860	48,523	65,376	62,098	79,500	56,991	50,556
Support Services:										
Tuition	1,300,917	1,225,519	1,361,038	1,583,965	1,604,498	1,062,733	1,181,317	1,053,183	1,383,288	1,145,481
Student & instruction related services	414,350	410,652	484,014	489,193	469,599	631,893	610,295	613,059	617,261	622,192
School administrative services	5,568	3,618	4,675	5,485	3,534	3,788	2,443	2,250	2,790	5,424
General and business admin. services	181,071	186,227	118,569	217,933	232,535	215,300	209,239	207,594	230,353	213,290
Central Services	133,995	118,581	200,620	121,436	135,529	122,148	119,614	123,089	114,070	152,651
Plant operations and maintenance	427,830	300,462	284,186	288,784	311,089	328,413	313,175	292,100	363,976	295,718
Pupil transportation	155,486	107,724	135,271	160,721	177,586	155,558	151,571	139,883	105,525	145,480
Other support services										
Unallocated employee benefits	794,204	819,337	887,433	1,039,560	1,150,633	1,247,712	1,319,361	1,435,984	1,656,085	1,679,960
Capital outlay	71,197	38,817	74,934	49,159	166,012	902,212	236,006	211,453	64,008	53,429
Transfer to charter schools										39,809
Debt service:										
Principal	90,000	105,000	120,000	135,000	150,000	168,000	115,000	220,000	220,000	230,000
Interest and other charges	81,491	76,947	71,991	66,116	59,531	52,162	126,071	93,100	84,818	76,891
Total expenditures	<u>5,638,143</u>	<u>5,350,822</u>	<u>5,769,403</u>	<u>6,223,385</u>	<u>6,545,384</u>	<u>7,250,804</u>	<u>6,739,677</u>	<u>6,670,502</u>	<u>7,262,787</u>	<u>7,192,353</u>
Excess (Deficiency) of revenues over (under) expenditures	48,793	294,973	246,942	10,267	146,081	(866,329)	(50,342)	85,531	(264,410)	(169,916)
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing						1,985,000				
Prior year state aid receivable canceled		(87,829)								
Transfers in		76,584			48,127		63,640			
Transfers out	(32,100)	(121,103)	(51,261)	(41,788)	(80,856)	(33,474)	(88,640)	(20,000)	(25,000)	(28,000)
Total other financing sources (uses)	<u>(32,100)</u>	<u>(132,348)</u>	<u>(51,261)</u>	<u>(41,788)</u>	<u>(32,729)</u>	<u>1,951,526</u>	<u>(25,000)</u>	<u>(20,000)</u>	<u>(25,000)</u>	<u>(28,000)</u>
Net change in fund balances	<u>\$ 16,693</u>	<u>\$ 162,625</u>	<u>\$ 195,681</u>	<u>\$ (31,521)</u>	<u>\$ 113,352</u>	<u>\$ 1,085,197</u>	<u>\$ (75,342)</u>	<u>\$ 65,531</u>	<u>\$ (289,410)</u>	<u>\$ (197,916)</u>
Debt service as a percentage of noncapital expenditures	3.08%	3.43%	3.37%	3.26%	3.28%	3.47%	3.71%	4.85%	4.23%	4.30%

**Source: District records**

Note: Noncapital expenditures are total expenditures less capital outlay.

**Brooklawn School District**  
**General Fund - Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Lost</u> <u>Books</u>	<u>Miscellaneous</u> <u>Sales</u>	<u>Refunds of</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Prior Year</u> <u>Orders</u> <u>Adjustment</u>	<u>Class</u> <u>Gift</u>	<u>Donations</u>	<u>Miscellaneous</u>	<u>Total</u>
2010	\$ 3,477	\$ 1,600			\$ 1,074	\$ 16,339			\$ 11,416	\$ 33,906
2011	1,737	2,550	595	5,000	100,578				13,725	124,185
2012	10,520	300	305	5,000	52,137		1,300		7,637	77,199
2013	9,292	977	75	5,000	52,195				7,491	75,030
2014	4,525	24,061	40	5,000	35,503				7,664	76,793
2015	6,036	23,856	5						1,208	31,105
2016	4,657	12,821	10			12,199		10,000	312	39,999
2017	4,173		17		51,116			500	5,391	61,197
2018	5,512	23,262	100		8,649	241		100	733	38,597
2019	6,956	18,715		10,552	13,183	551			5,126	55,083
	<u>\$ 56,885</u>	<u>\$ 108,142</u>	<u>\$ 1,147</u>	<u>\$ 30,552</u>	<u>\$ 314,435</u>	<u>\$ 29,330</u>	<u>\$ 1,300</u>	<u>\$ 10,600</u>	<u>\$ 60,703</u>	<u>\$ 613,094</u>

Source: District records

**Brooklawn School District  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Apartment</b>	<b>Total Assessed Value</b>	<b>Public Utilities a</b>	<b>Net Valuation Taxable</b>	<b>Tax-Exempt Property</b>	<b>Total Direct School Tax Rate b</b>	<b>Estimated Actual (County Equalized) Value</b>
2010	\$ 473,900	\$ 53,165,000	\$ 24,068,700	\$ 819,700	\$ 1,030,700	\$ 79,558,000	\$ 154,513	\$ 79,712,513	\$ 10,601,700	\$ 1.501	\$ 150,715,128
2011	R 875,800	94,588,400	41,407,400	1,460,500	2,247,600	140,579,700	244,335	140,824,035	17,529,400	0.857	146,583,222
2012	875,800	94,600,000	41,664,000	1,460,500	2,247,600	140,847,900	226,767	141,074,667	17,534,400	0.814	149,580,759
2013	885,800	94,761,100	41,335,000	1,460,500	2,247,600	140,690,000	229,477	140,919,477	17,425,300	0.722	135,054,697
2014	890,800	94,788,400	41,884,100	1,460,500	2,247,600	141,271,400	-	141,271,400	17,420,300	0.925	126,686,232
2015	879,900	94,548,700	41,249,900	1,207,100	2,247,600	140,133,200	100	140,133,300	17,536,100	0.933	119,342,489
2016	869,000	93,641,800	40,852,800	1,207,100	2,247,600	138,818,300	100	138,818,400	17,759,700	0.967	114,779,829
2017	658,100	74,649,400	39,920,200	944,700	2,707,100	118,879,500	100	118,879,600	16,658,400	1.237	113,619,629
2018	742,600	74,786,800	33,977,500	944,700	2,707,100	113,158,700	100	113,158,800	16,575,000	1.254	127,725,680
2019	1,102,600	74,940,000	33,261,800	944,700	2,707,100	112,956,200	100	112,956,300	16,575,000	1.266	123,759,528

**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 ordered by the County Board of Taxation

**a** Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100 of assessed valuation.

**R** Revaluation

**Brooklawn School District**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

J-7

Fiscal Year Ended June 30,	Brooklawn School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Brooklawn	Camden County	
2010	\$ 1.277	\$ 0.224	\$ 1.501	\$ 1.954	\$ 1.234	\$ 4.689
2011	0.747	0.110	0.857	1.177	0.741	2.775
2012	0.704	0.110	0.814	1.229	0.814	2.857
2013	0.722	-	0.722	1.287	0.798	2.807
2014	0.720	0.205	0.925	1.345	0.765	3.035
2015	0.740	0.193	0.933	1.380	0.746	3.059
2016	0.762	0.205	0.967	1.400	0.723	3.090
2017	0.965	0.272	1.237	1.762	0.901	3.900
2018	1.017	0.237	1.254	1.781	0.998	4.033
2019	1.013	0.253	1.266	1.806	0.950	4.022

**Source:** Municipal Tax Collector

**Brooklawn School District  
Principal Property Tax Payers,  
Current Year and Nine Years Ago**

**J-8**

<u>Taxpayer</u>	<u>2019</u>		<u>Taxpayer</u>	<u>2010</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Brookwrap, LLC	\$ 6,790,300	6.01%	Brooklawn Shopping Center I	\$ 2,746,000	3.44%
Brookwrap I, LLC	3,625,000	3.21%	Brooklawn Shopping Center II	2,421,300	3.04%
Jay Sai Corporation	3,088,700	2.73%	Days Inn	2,178,000	2.73%
Cohab Realty, LLC	1,987,200	1.76%	Ponzio Diner	1,500,000	1.88%
Westbrook Lanes	1,305,300	1.16%	Eckerd's	1,165,800	1.46%
Brooklawn Holdings LLC	1,204,100	1.07%	Westbrook Lane	1,100,000	1.38%
AZ Brooklawn LLC	935,800	0.83%	Superior Aluminum	798,600	1.00%
20 Creek Road LLC	868,700	0.77%	Materials Handling Supply Co.	681,800	0.86%
Ambler Motel LLC	844,800	0.75%	Ming Kui Lau Restaurant	674,700	0.85%
Brooklawn Norse Apts	808,500	0.72%	Brooklawn Diner	625,300	0.78%
<b>Total</b>	<b>\$ 21,458,400</b>	<b>19.00%</b>		<b>\$ 13,891,500</b>	<b>17.43%</b>

**Source:** Municipal Tax Assessor



**Brooklawn School District  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Calendar Year</b>	<b>Collected within the Fiscal Year of the Levy<sup>a</sup></b>		<b>Collections in Subsequent Years</b>
		<b>Amount</b>	<b>Percentage of Levy</b>	
2010	\$ 1,188,283	\$ 1,188,283	100.00%	\$ -
2011	1,196,342	1,196,342	100.00%	-
2012	1,206,403	1,206,403	100.00%	-
2013	1,149,227	1,149,227	100.00%	-
2014	1,231,602	1,017,497	82.62%	214,105
2015	1,233,323	1,233,323	100.00%	-
2016	1,250,995	1,250,995	100.00%	-
2017	1,332,782	1,332,782	100.00%	-
2018	1,348,123	1,011,092	75.00%	337,031
2019	1,391,369	1,021,640	73.43%	369,729

**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 Statutes, 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.

**Brooklawn School District**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
*(dollars in thousands, except per capita)*

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Capital Leases	Capital Leases				
2010	\$ 1,567,000	\$ -	\$ -	\$ -	\$ 1,567,000	1.92%	\$ 805
2011	1,462,000	-	-	-	1,462,000	1.72%	753
2012	1,342,000	-	-	-	1,342,000	1.56%	693
2013	1,207,000	-	-	-	1,207,000	1.39%	627
2014	1,057,000	-	-	-	1,057,000	1.18%	551
2015	2,874,000	-	-	-	2,874,000	3.09%	1,502
2016	2,759,000	-	-	-	2,759,000	2.89%	1,441
2017	2,539,000	-	-	-	2,539,000	2.56%	1,329
2018	2,319,000	-	-	-	2,319,000	d	1,213
2019	2,089,000	-	-	-	2,089,000	d	d

**Sources:**

- a District Records
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Not Available.

**Brooklawn School District**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
*(dollars in thousands, except per capita)*

J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable <sup>b</sup>	Per Capita <sup>c</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding <sup>a</sup>		
2010	\$ 1,567,000	\$ -	\$ 1,567,000	1.97%	805
2011	1,462,000	-	1,462,000	1.04%	753
2012	1,342,000	-	1,342,000	0.95%	693
2013	1,207,000	-	1,207,000	0.86%	627
2014	1,057,000	-	1,057,000	0.75%	551
2015	2,874,000	-	2,874,000	2.05%	1,502
2016	2,759,000	-	2,759,000	1.99%	1,441
2017	2,539,000	-	2,539,000	2.27%	1,329
2018	2,319,000	-	2,319,000	2.05%	1,213
2019	2,089,000	-	2,089,000	1.85%	d

**Sources:**

- a District Records
- b Net Assessed Valuation provided by Anstract of Ratables, County Board of Taxation
- c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.
- d Not Available.

**Brooklawn School District  
 Ratios of Overlapping Governmental Activities Debt  
 As of December 31, 2018**

J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Brooklawn	\$ 2,844,460 (1)	100.000%	\$ 2,844,460
Camden County General Obligation Debt	402,702,498 (1)	0.335% (2)	1,349,053
			<hr/>
Subtotal, overlapping debt			4,193,513
Brooklawn School District Direct Debt			<hr/> 2,244,000
<b>Total direct and overlapping debt</b>			<b><u><u>\$ 6,437,513</u></u></b>

**Sources:**

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2018 Equalized Valuation. The source for this computation was the 2018 County Abstract of Ratables, provided by the County Board of Taxation.

**Legal Debt Margin Calculation for Fiscal Year 2019**

	Equalized valuation basis (1)	
	2016	\$ 114,423,261
	2017	125,552,127
	2018	123,186,044
		<u>\$ 363,161,432</u>
Average equalized valuation of taxable property		<u>\$ 121,053,811</u>
Debt limit (3% of average equalized valuation) (2)		3,631,614
Net bonded school debt (3)		2,089,000
Legal debt margin		<u>\$ 1,542,614</u>

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 4,384,337	\$ 4,495,335	\$ 4,463,336	\$ 4,315,070	\$ 4,071,363	\$ 3,785,949	\$ 3,597,417	\$ 3,489,625	\$ 3,550,462	\$ 3,631,614
Total net debt applicable to limit (3)	<u>1,567,000</u>	<u>1,462,000</u>	<u>1,342,000</u>	<u>1,207,000</u>	<u>1,057,000</u>	<u>2,874,000</u>	<u>2,759,000</u>	<u>2,539,000</u>	<u>2,319,000</u>	<u>2,089,000</u>
Legal debt margin	<u>\$ 2,817,337</u>	<u>\$ 3,033,335</u>	<u>\$ 3,121,336</u>	<u>\$ 3,108,070</u>	<u>\$ 3,014,363</u>	<u>\$ 911,949</u>	<u>\$ 838,417</u>	<u>\$ 950,625</u>	<u>\$ 1,231,462</u>	<u>\$ 1,542,614</u>
Total net debt applicable to the limit as a percentage of debt limit	35.74%	32.52%	30.07%	27.97%	25.96%	75.91%	76.69%	72.76%	65.32%	57.52%

**Sources:**

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

**Brooklawn School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Year</b>	<b>Population <sup>a</sup></b>	<b>Personal Income <sup>b</sup></b>	<b>Per Capita Personal Income <sup>c</sup></b>	<b>Unemployment Rate <sup>d</sup></b>
2010	1,947	\$ 81,450,798	\$ 41,834	6.9%
2011	1,942	84,964,442	43,751	6.8%
2012	1,937	86,196,500	44,500	6.9%
2013	1,925	86,779,000	45,080	14.6%
2014	1,917	89,456,805	46,665	9.7%
2015	1,913	93,046,407	48,639	7.7%
2016	1,914	95,386,104	49,836	7.1%
2017	1,911	99,138,858	51,878	6.7%
2018	1,912	e	e	6.7%
2019	e	e	e	e

**Source:**

- <sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development
- <sup>b</sup> Personal income has been established based upon the municipal population and per capita personal income presented.
- <sup>c</sup> Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- <sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development
- <sup>e</sup> Information not available

**Brooklawn School District**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**

J-16

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	17	17	20	20	20	20	20	20	20	24.8
Special education	5	5	6	6	7	7	7	7	7	5.0
Other special education	2	2	5	5	6	6	6	6	6	11.6
Other instruction	4	4	3	3	3	3	3	3	3	
Support Services:										
School administrative services	1	1	1	1	2	2	2	2	2	3.0
General and business administrative services	2	2	2	2	2	2	2	2	2	2.5
Plant operations and maintenance	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3.0
Business and other support services	2	2	2	2	2	2	2	2	2	2.3
Administrative Information Technology	1	1	1	1	1	1	1	1	1	
Food Service	2	2	2	2	2	2	2	2	2	1.5
Child Care	1	1	1	1	1	1	1	1	1	1.3
Total	<u>40</u>	<u>40</u>	<u>45.5</u>	<u>45.5</u>	<u>48.5</u>	<u>48.5</u>	<u>48.5</u>	<u>48.5</u>	<u>48.5</u>	<u>55.0</u>

**Source:**  
District Personnel Records

**Brooklawn School District  
Operating Statistics,  
Last Ten Fiscal Years**

J-17

<u>Fiscal Year</u>	<u>Resident Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio - Elementary</u>	<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2010	311	\$ 5,395,455	\$ 17,349	6.85%	34	1:20	311.0	279.3	-3.71%	89.81%
2011	303	5,130,058	16,931	-2.41%	34	1:20	302.6	288.4	-2.89%	95.31%
2012	341	5,502,478	16,136	-4.69%	30	1:20	340.9	326.0	12.65%	95.63%
2013	363	5,973,110	16,455	1.97%	30	1:20	365.6	346.6	7.08%	94.80%
2014	342	6,169,841	18,040	9.64%	30	1:20	336.5	321.0	-7.95%	95.39%
2015	334	6,128,430	18,349	1.71%	30	1:20	344.5	323.7	2.37%	93.96%
2016	320	6,262,600	19,571	6.66%	30	1:20	320.3	305.9	-7.20%	95.51%
2017	299	6,145,949	20,555	5.03%	30	1:20	311.9	299.2	-2.62%	95.93%
2018	304	6,893,961	22,678	10.33%	30	1:20	310.2	289.5	-0.54%	93.33%
2019	316	6,832,033	21,620	-4.66%	30	1:20	319.5	302.7	2.99%	94.74%

**Sources:** District records

**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).



**Brooklawn School District  
School Building Information  
Last Ten Fiscal Years**

J-18

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Alice Costello Elementary School - (1924)										
Square Feet	47,900	47,900	47,900	47,900	47,900	47,900	47,900	47,900	47,900	47,900
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	311	303	341	366	336	345	320	312	310	303

Number of Schools at June 30, 2019  
 Elementary = 1  
 Middle School = 1  
 Senior High School = 0  
 Other = 0

**Source:** District Facilities Office

Brooklawn School District  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years

J-19

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
* School Facilities											
Alice Costello School	\$ 20,668	\$ 5,795	\$ 19,887	\$ 20,000	\$ 23,145	\$ 23,000	\$ 37,000	\$ 30,640	\$ 82,239	\$ 1,898	\$ 264,272
Total School Facilities	<u>\$ 20,668</u>	<u>\$ 5,795</u>	<u>\$ 19,887</u>	<u>\$ 20,000</u>	<u>\$ 23,145</u>	<u>\$ 23,000</u>	<u>\$ 37,000</u>	<u>\$ 30,640</u>	<u>\$ 82,239</u>	<u>\$ 1,898</u>	<u>\$ 264,272</u>

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

Source: District records

**Brooklawn School District  
Insurance Schedule  
June 30, 2019**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Building and Contents (All Locations)		
Limits of liability per occurrence	\$ 500,000,000	\$ 1,000
Boiler and Machinery	100,000,000	1,000
General and Automobile Liability	5,000,000	1,000
Workers' Compensation	Statutory	
Professional Legal Liability	5,000,000	5,000
Crime Coverage	500,000	1,000
Environmental Impairment Liability	1,000,000	
Excess Liability	5,000,000	
Employers Liability	5,000,000	
Student Accident Coverage (2)	1,000,000	
Catastrphic Student Accident Coverage (3)	2,500,000	
Surety Bonds (4)		
Treasurer	171,000	
Board Secretary	35,000	

- (1) School Alliance Insurance Fund
- (2) Berkley Life and Health Insurance Company
- (3) United States Fire Insurance Company
- (4) Western Surety

**Source: District records**

**Single Audit Section**

***INVERSO & STEWART, LLC***  
**Certified Public Accountants**

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 American Institute of CPAs  
 New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
 REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
 REQUIRED BY NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and Members  
 of the Board of Education  
 Brooklawn School District  
 County of Camden  
 Brooklawn, New Jersey

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

I have audited Brooklawn School District (School District), in the County of Camden, State of New Jersey's compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2019. The School District's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

My responsibility is to express an opinion on compliance for each of the School District's major state programs based on my audit of the types of compliance requirements referred to above. I conducted my 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and State of New Jersey Circular 15-08-OMB require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

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

**Opinion on Each Major State Program**

In my opinion, the Brooklawn School District, in the County of Camden, State of New Jersey 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 state programs for the fiscal year ended June 30, 2019.

### **Other Matters**

The results of my auditing procedures disclosed instances of **noncompliance**, which are required to be reported under State of New Jersey Circular 15-08-OMB and which is described in the accompanying *Schedule of Findings and Questioned Costs and Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* as finding no: 2019-003. My opinion on the major state program is not modified with respect to this matter.

The School District's response to the finding identified in my audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 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.

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

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

**INVERSO & STEWART, LLC**  
Certified Public Accountants



Robert P. Inverso  
Certified Public Accountant  
Public School Accountant No. CS001095

Marlton, New Jersey  
November 21, 2019

**BROOKLAWN SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2019**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2018			Adjustment	Carryover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2019		
						(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor
<b>U.S. Department of Education</b>																
Special Revenue Fund:																
Title I																
Fiscal Year 2019	84.010A	S010A180030	ESSA-0580-19	\$ 172,267	7/1/18 - 6/30/19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (172,266)	\$ -	\$ (172,266)	\$ -	\$ -
Fiscal Year 2018	84.010A	S010A170030	ESSA-0580-18	201,283	7/1/17 - 6/30/18	(201,283)	-	-	-	201,283	(172,266)	-	-	-	-	-
Title II A																
Fiscal Year 2019	84.367A	S367A180029	ESSA-0580-19	12,571	7/1/18 - 6/30/19	-	-	-	-	-	(6,850)	-	(6,850)	-	-	-
Fiscal Year 2018	84.367A	S367A170029	ESSA-0580-18	14,790	7/1/17 - 6/30/18	(14,790)	-	-	-	14,790	(6,850)	-	-	-	-	-
Title IV																
Fiscal Year 2019	84.424	S424A180031	ESSA-0580-19	18,850	7/1/18 - 6/30/19	-	-	-	-	-	-	-	-	-	-	-
Fiscal Year 2018	84.424	S424A170031	ESSA-0580-18	10,000	7/1/17 - 6/30/18	(1,500)	-	-	-	1,500	-	-	-	-	-	-
Individuals With Disabilities Act (I.D.E.A.)																
Part B - Basic																
Fiscal Year 2019	84.027	H027A180100	IDEA-0580-19	108,796	7/1/17 - 6/30/18	-	-	-	-	86,847	(108,796)	-	(21,949)	-	-	-
Fiscal Year 2018	84.027	H027A170100	IDEA-0580-18	84,664	7/1/17 - 6/30/18	(84,664)	-	-	-	84,664	-	-	-	-	-	-
Part B - Preschool																
Fiscal Year 2019	84.173	H173A180114	IDEA-0580-19	5,841	7/1/17 - 6/30/18	-	-	-	-	-	-	-	-	-	-	-
Fiscal Year 2018	84.173	H173A170114	IDEA-0580-18	3,144	7/1/17 - 6/30/18	(3,144)	-	-	-	3,144	-	-	-	-	-	-
Total U.S. Department of Education						(305,381)	-	-	-	-	392,228	(287,912)	-	(201,065)	-	-
<b>U.S. Department of Agriculture</b>																
Enterprise Fund:																
School Breakfast Program:																
Fiscal Year 2019	10.553	181NJ304N1099	N/A	36,646	7/1/18 - 6/30/19	-	-	-	-	35,523	(36,646)	-	(1,123)	-	-	-
Fiscal Year 2018	10.553	181NJ304N1099	N/A	44,424	7/1/17 - 6/30/18	(11,199)	-	-	-	11,199	-	-	-	-	-	-
National School Lunch Program																
Fiscal Year 2019	10.555	181NJ304N1099	N/A	87,056	7/1/18 - 6/30/19	-	-	-	-	84,047	(87,056)	-	(3,009)	-	-	-
Fiscal Year 2018	10.555	181NJ304N1099	N/A	88,325	7/1/17 - 6/30/18	(19,984)	-	-	-	19,984	-	-	-	-	-	-
Total U.S. Department of Agriculture						(31,183)	-	-	-	-	150,753	(123,702)	-	(4,132)	-	-
Total Federal Awards						\$ (336,564)	\$ -	\$ -	\$ -	\$ -	\$ 542,981	\$ (411,614)	\$ -	\$ (205,197)	\$ -	\$ -

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

**BROOKLAWN SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2019**

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2018			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Balance, June 30, 2019		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
<b>State Department of Education</b>													
General Fund:													
Equalization Aid	19-495-034-5120-078	\$ 3,488,270	7/1/18- 6/30/19	\$ -	\$ -	\$ -	\$ -	\$ 3,157,924	\$ (3,488,270)	\$ -	\$ (330,346)	\$ -	\$ -
Equalization Aid	18-495-034-5120-078	3,451,709	7/1/17- 6/30/18	(341,448)				341,448					
Special Education Categorical Aid	19-495-034-5120-089	271,023	7/1/17- 6/30/18					245,357	(271,023)		(25,666)		
Special Education Categorical Aid	18-495-034-5120-089	230,405	7/1/17- 6/30/18	(22,792)				22,792					
Security Aid	19-495-034-5120-084	110,945	7/1/17- 6/30/18					100,438	(110,945)		(10,507)		
Security Aid	18-495-034-5120-084	22,579	7/1/17- 6/30/18	(2,234)				2,234					
Transportation Aid	19-495-034-5120-014	17,795	7/1/17- 6/30/18					16,110	(17,795)		(1,685)		
Transportation Aid	18-495-034-5120-014	6,387	7/1/17- 6/30/18	(632)				632					
School Choice Aid	19-495-034-5120-068	462,076	7/1/17- 6/30/18					408,846	(462,076)		(53,230)		
School Choice Aid	18-495-034-5120-068	519,365	7/1/17- 6/30/18	(51,376)				51,376					
Adjustment Aid	19-495-034-5120-085	75,296	7/1/17- 6/30/18					68,165	(75,296)		(7,131)		
Adjustment Aid	18-495-034-5120-085	142,142	7/1/17- 6/30/18	(14,061)				14,061					
Under Adequacy Aid	18-495-034-5120-083	98,367	7/1/17- 6/30/18	(9,731)				9,731					
PARCC Readiness Aid	18-495-034-5120-098	4,060	7/1/17- 6/30/18	(401)				401					
Per Pupil Growth Aid	18-495-034-5120-097	4,060	7/1/17- 6/30/18	(401)				401					
Professional Learning Community Aid	18-495-034-5120-101	3,620	7/1/17- 6/30/18	(358)				358					
Extraordinary Aid	19-495-034-5120-044	10,720	7/1/17- 6/30/18						(10,720)		(10,720)		
Extraordinary Aid	18-495-034-5120-044	17,624	7/1/17- 6/30/18	(17,624)				17,624					
Homeless Tuition Aid	18-495-034-5120-005	32,877	7/1/17- 6/30/18	(32,877)				32,877					
On-behalf TPAF Pension Contributions	19-495-034-5094-002	398,230	7/1/18- 6/30/19					398,230	(398,230)		-		
On-behalf TPAF Post Retirement Medical	19-495-034-5094-001	180,637	7/1/18- 6/30/19					180,637	(180,637)		-		
On-behalf TPAF Pension - LTDI	19-495-034-5094-004	381	7/1/18- 6/30/19					381	(381)		-		
Reimbursed TPAF Social Security Contr.	19-495-034-5094-003	160,010	7/1/18- 6/30/19					152,055	(160,010)		(7,955)		
Reimbursed TPAF Social Security Contr.	18-495-034-5094-003	149,488	7/1/17- 6/30/18	(44,186)				44,186					
Total General Fund				(538,121)	-	-	-	5,266,264	(5,175,383)	-	(447,240)	-	-
Special Revenue Fund:													
Preschool Education Aid	19-495-034-5120-086	62,700	7/1/17- 6/30/18					56,430	(62,700)		(6,270)		
Preschool Education Aid	18-495-034-5120-086	68,066	7/1/17- 6/30/18	(5,348)				5,348					
Total Special Revenue Fund				(5,348)	-	-	-	61,778	(62,700)	-	(6,270)	-	-
Capital Projects Fund:													
Costello Elementary School	0580-010-14-1009-G04	104,253	1/6/14-6/30/14	(104,253)							(104,253)		
Emergency Generator & Lighting	0580-010-14-1004-G04	137,860	1/6/14-12/31/16	(137,860)							(137,860)		
Total Capital Projects Fund				(242,113)	-	-	-	-	-	-	(242,113)	-	-
Debt Service Fund													
Debt Service Aid Type II	19-495-034-5120-017	36,043	7/1/18- 6/30/19					36,043	(36,043)				
Total State Department of Education				(785,582)	-	-	-	5,364,085	(5,274,126)	-	(695,623)	-	-
<b>State Department of Agriculture</b>													
Enterprise Fund:													
National School Lunch Program (State Share)													
Fiscal Year 2018	19-100-010-3350-023	1,522	7/1/18- 6/30/19					1,470	(1,522)		(52)		
Fiscal Year 2017	18-100-010-3350-023	1,520	7/1/17- 6/30/18	(282)						282	-		
Total State Department of Agriculture				(282)	-	-	-	1,470	(1,522)	282	(52)	-	-
Total State Financial Assistance				\$ (785,864)	\$ -	\$ -	\$ -	\$ 5,365,555	\$ (5,275,648)	\$ 282	\$ (695,675)	\$ -	\$ -
Less: State Financial Expenditures Not Subject to Major Program Determination													
On-Behalf TPAF Contribution - Pension (Non-Budgeted) (398,230)													
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted) (180,637)													
On-Behalf TPAF Contribution - LTDI (Non-Budgeted) (381)													
Total State Financial Expenditures Subject to Major Program Determination \$ (4,696,400)													

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



**Brooklawn School District**  
**Notes to Schedules of Expenditures**  
**of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2019**

**1. GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Brooklawn School District ("School District"). The School District is defined in Note 1 to the School District's basic financial statements. 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, are included on the schedules of expenditures of federal awards and state financial assistance.

**2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *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 has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**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 the 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 of the 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 June state aid payments in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

**Brooklawn School District**  
**Notes to the Schedules of Expenditures**  
**of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2019**  
**(Continued)**

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$14,869 for the general fund and (\$922) for special revenue. See Exhibit C-3, Notes to Required Supplementary Information 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 revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ -	\$ 5,190,252	\$ 5,190,252
Special Revenue	287,912	61,778	349,690
Capital Projects			-
Debt Service		36,043	36,043
Food Service	123,702	1,522	125,224
Total	<u>\$ 411,614</u>	<u>\$ 5,289,595</u>	<u>\$ 5,701,209</u>

**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.

**5. OTHER**

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 District for the year ended June 30, 2019. 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, 2019.

**6. MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**7. ADJUSTMENTS**

Amounts reported in the column entitled "Adjustments" represent the following:

	<u>Federal</u>	<u>State</u>
Prior Year Receivable Canceled	\$ -	\$ 282

**BROOKLAWN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Section 1 -- Summary of Auditor's Results*

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? \_\_\_\_\_ yes X no

Significant deficiencies identified? \_\_\_\_\_ yes X none reported

Noncompliance material to general purpose financial statements noted? X yes \_\_\_\_\_ no

**Federal Awards**

**NOT APPLICABLE**

Internal Control over major programs:

Material weaknesses identified? \_\_\_\_\_ yes \_\_\_\_\_ no

Significant deficiencies identified? \_\_\_\_\_ yes \_\_\_\_\_ none reported

Type of auditor's report on compliance for major programs: \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ( Uniform Guidance)? \_\_\_\_\_ yes \_\_\_\_\_ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to distinguish between type A and type B programs: \_\_\_\_\_

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

BROOKLAWN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section 1 -- Summary of Auditor's Results (Continued)

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  X  yes   no

Internal Control over major programs:

Material weaknesses identified?   yes  X  no

Significant deficiencies identified that are not considered to be a material weakness?   yes  X  none reported

Type of auditor's report on compliance for major programs:  Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?  X  yes   no

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
<u>19-495-034-5120-068</u>	<b>State Aid Public Cluster:</b> <u>School Choice Aid</u>
<u>19-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>19-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>19-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>19-495-034-5120-084</u>	<u>Security Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**BROOKLAWN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Section 2 -- Schedule of Financial Statement Findings**

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

**Finding #2019-001**

**Criteria or specific requirement:**

Executive County Superintendent approval should be requested for any transfer to an advertised administration account which is cumulatively more than 10 percent of the original amount.

**Condition:**

The district transferred funds to school administration and central services that on a cumulative basis exceeded 10 percent of the total amount of the original budget for school administration and central services without proper department approval.

**Context:**

As part of the audit procedures, a review was performed of cumulative budget transfers and one exception was noted.

**Effect:**

Violation of N.J.A.C. 6A:23A-13.3(f).

**Cause:**

Oversight.

**Recommendation:**

Executive County Superintendent approval should be requested for any transfer to an advertised administration account that is cumulatively more than 10 percent of that amount.

**View of Responsible Officials and Planned Corrective Action:**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**BROOKLAWN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance  
Findings and 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

**FEDERAL AWARDS:**

A federal single audit was not required.

**STATE AWARDS:**

**Finding No. 2018-003**

**Information on the State Program:**

Equalization Aid; GMIS No. 18-495-034-5120-078

**Criteria or specific requirement:**

The District is required to complete the Application for State School Aid (ASSA) in accordance with the instructions provided by the State Department of Education.

**Condition:**

The student counts for on roll students did not agree to supporting documents. Supporting workpapers were not well maintained.

**Questioned Costs:**

None

**Context:**

My test of the ASSA disclosed an overstatement of three students in the on roll students when compared to the District's supporting documents.

**Effect:**

The reported differences may have an impact on the District's State Aid allocation.

**Cause:**

Oversight

**Recommendation:**

That care is exercised in preparing the Application for State School Aid.

**View of Responsible Officials and Planned Corrective Action:**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**BROOKLAWN SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, 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 Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2018-001**

The reimbursement to the State of New Jersey for pension and social security for federally funded programs was not submitted by October 1.

**Current Status:**

This finding has been corrected.

**Finding No. 2018-002**

The November 2017 and December 2017 electronic reporting of meal counts in SNEARS were not certified in a timely manner.

**Current Status:**

This finding has been corrected.

**Finding No. 2018-003**

There were errors in the Application for State School Aid.

**Current Status:**

This finding has not been corrected.