

**SCHOOL DISTRICT
OF**

BROOKLAWN

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive
Financial Report**

of the

Brooklawn Board of Education

Brooklawn, New Jersey

For the Fiscal Year Ended June 30, 2023

**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

December 22, 2023

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 annual comprehensive financial report of the Brooklawn School District for the fiscal year ended June 30, 2023, 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 annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the 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 2022-2023 school year, with an average daily enrollment of 275 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
2013-2014	338.0
2014-2015	344.5
2015-2016	320.3
2016-2017	311.9
2017-2018	310.2
2018-2019	319.5
2019-2020	292.0
2020-2021	283.4
2021-2023	285.5
2022-2023	275.3

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 285 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.

7. 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.

8. 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.

9. ACKNOWLEDGMENTS:

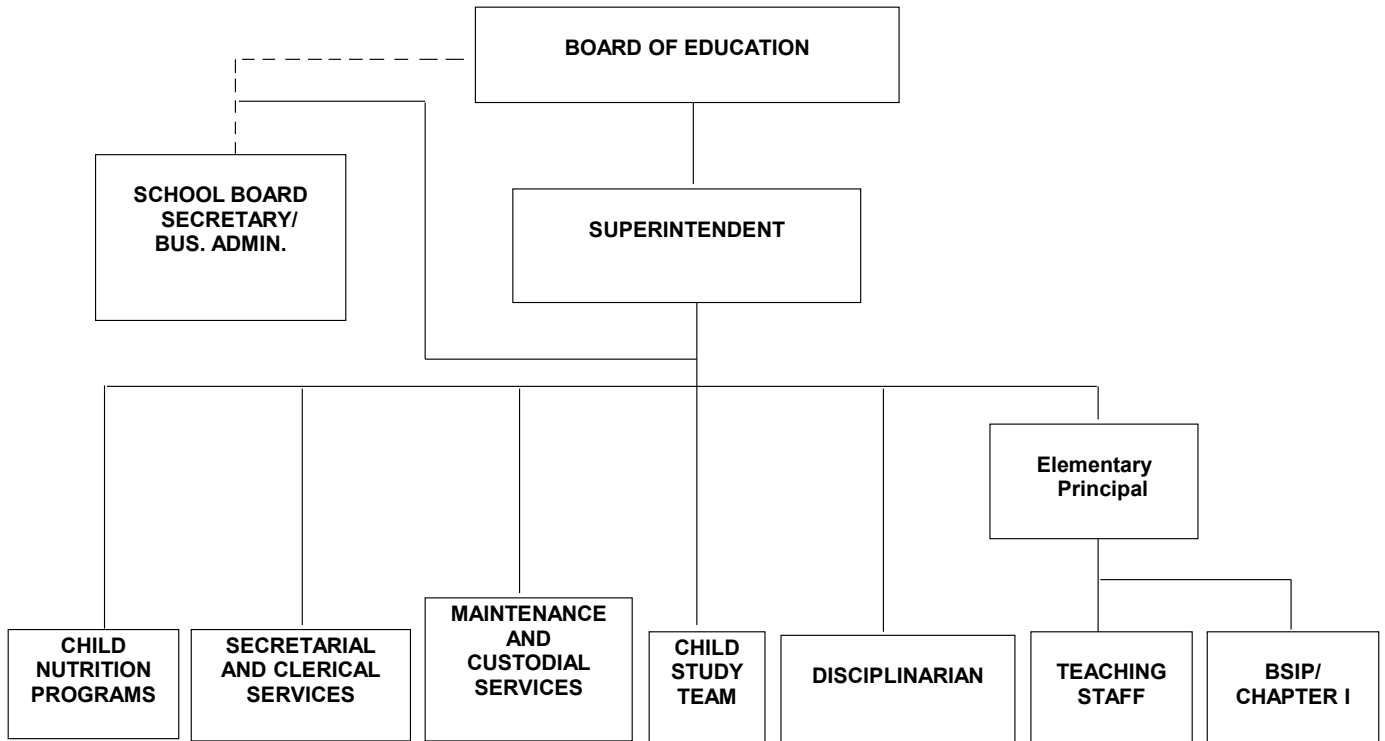
We would like to express our appreciation to the members of the Brooklawn Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. 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, 2023

Members of the Board of Education:

Term Expires

Colin MacAdams, President	2024
Angel Rodriguez, Vice President	2023
Michele Cecilio	2023
Jeff Haller	2023
Iwona Kuczek	2025
Kyrstlin MacAdams	2024
Kathleen Maass	2025

Other Officials:

Samuel Rosetti, Superintendent
Samuel Dutkin, Business Administrator/Board Secretary
Deborah Roncace, Treasurer
Christopher Long, Esq., Solicitor

BROOKLAWN SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

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

Attorney

Christopher Long, Esq.
Wade, Long, Wood & Long, LLC
1250 Chews Landing Road, Suite 1
Laurel Springs, NJ 08021

Broker of Record

Hardenbergh Insurance Group
8000 Sagemore Drive
Marlton, NJ 08053

Official Depository

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

Financial Section

INVERSO & STEWART, LLC

Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
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E-Mail: rinverso@inversocpa.com

-Member of-
American Institute of CPAs
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 Audit of the Financial Statements

Opinions

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 (the "District"), in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Adoption of New Accounting Principle

As discussed in Note 8 to the financial statements, during the fiscal year ended June 30, 2023, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. My opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, I:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 schedules of federal awards and state financial assistance, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 22, 2023, on my consideration of the District’s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of 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 District’s internal control over financial reporting and compliance.

Respectfully submitted,

INVERSO & STEWART, LLC

Certified Public Accountants



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

Marlton, New Jersey
December 22, 2023

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, 2023**

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, 2023. 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 \$2,053,725 (*net position*).
- Governmental activities have unrestricted net position deficit of \$688,027. 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 balance.
- The total net position of the School District increased by \$699,161, or a 51.62% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the results of operations in the governmental funds.
- Fund balance of the School District's governmental funds increased by \$537,644 resulting in an ending fund balance of \$2,148,767.
- Business-type activities have an unrestricted net position of \$125,415 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 \$90,304 which is primarily the result of payments on existing debt obligations.

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 two categories: *governmental funds and proprietary 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.

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 2024. 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 2024.

The assets of the primary government activities exceeded liabilities by \$1,916,683 with an unrestricted deficit balance of \$688,027. 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 \$564,166 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 \$2,040,544 has been restricted as follows:

Restricted for:		
Capital Projects	\$	1,332,327
Future Maintenance Costs		202,745
Debt Service		299,848
Excess Surplus		184,634
Unemployment Compensation		18,536
Student Activities		<u>2,454</u>
Total	\$	<u><u>2,040,544</u></u>

Brooklawn School District
Comparative Summary of Net Position
As of June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		District-Wide	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current assets	\$ 2,191,473	\$ 1,727,594	\$ 126,474	\$ 130,480	\$ 2,317,947	\$ 1,858,074
Capital assets	1,971,771	2,050,556	11,627	13,077	1,983,398	2,063,633
Total assets	<u>4,163,244</u>	<u>3,778,150</u>	<u>138,101</u>	<u>143,557</u>	<u>4,301,345</u>	<u>3,921,707</u>
Deferred Outflows of Resources	98,618	101,125			98,618	101,125
LIABILITIES						
Current liabilities	1,500,323	280,112	1,059		1,501,382	280,112
Noncurrent liabilities	611,528	1,998,991		3,802	611,528	2,002,793
Total liabilities	<u>2,111,851</u>	<u>2,279,103</u>	<u>1,059</u>	<u>3,802</u>	<u>2,112,910</u>	<u>2,282,905</u>
Deferred Inflows of Resources	233,328	385,363			233,328	385,363
Net Position	<u>\$ 1,916,683</u>	<u>\$ 1,214,809</u>	<u>\$ 137,042</u>	<u>\$ 139,755</u>	<u>\$ 2,053,725</u>	<u>\$ 1,354,564</u>
Net Position Consists of:						
Net investment in Capital Assets	\$ 564,166	\$ 537,142	\$ 11,627	\$ 13,077	\$ 575,793	\$ 550,219
Restricted Assets	2,040,544	1,509,460			2,040,544	1,509,460
Unrestricted Assets	<u>(688,027)</u>	<u>(831,793)</u>	<u>125,415</u>	<u>126,678</u>	<u>(562,612)</u>	<u>(705,115)</u>
Net Position	<u>\$ 1,916,683</u>	<u>\$ 1,214,809</u>	<u>\$ 137,042</u>	<u>\$ 139,755</u>	<u>\$ 2,053,725</u>	<u>\$ 1,354,564</u>

Governmental Activities

Governmental activities increased the net position of the School District by \$701,874 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Long-term debt obligations decreased by \$90,304.
- Results of operations in the Governmental Funds increased the net position by \$701,874.

Business-type Activities

- Business-type activities decreased the School District's net position by \$2,713. The decrease came as a result of a gain in the Food Service Program of \$1,645 and a loss in the After School Program of \$4,358.

**Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2023 and 2022**

	Governmental Activities		Business-Type Activities		District-Wide	
	2023	2022	2023	2022	2023	2022
Revenues:						
Charges for services	\$ -	\$ -	\$ 34,888	\$ 250	\$ 34,888	\$ 250
Operating grants and contributions	2,322,961	3,142,149	185,331	272,495	2,508,292	3,414,644
Property taxes	1,528,174	1,372,718			1,528,174	1,372,718
State aid - unrestricted	5,402,603	4,818,651			5,402,603	4,818,651
Other revenues	348,208	35,312			348,208	35,312
Total Revenues	9,601,946	9,368,830	220,219	272,745	9,822,165	9,641,575
Expenses:						
Governmental Activities:						
Instruction	3,610,730	3,196,937			3,610,730	3,196,937
Tuition	1,301,175	1,183,981			1,301,175	1,183,981
Related services	936,433	888,537			936,433	888,537
Administrative services	417,434	348,866			417,434	348,866
Operations and Maintenance	214,953	246,573			214,953	246,573
Transportation	176,542	144,757			176,542	144,757
Employee benefits	1,984,790	2,682,873			1,984,790	2,682,873
Interest on debt	43,438	46,271			43,438	46,271
Other	214,577	254,133			214,577	254,133
Business-Type Activities:						
Food Service			222,932	223,432	222,932	223,432
After School Program			-	-	-	-
Total Expenses	8,900,072	8,992,928	222,932	223,432	9,123,004	9,216,360
Increase (Decrease) in Net Position before transfers	701,874	375,902	(2,713)	49,313	699,161	425,215
Transfers					-	-
Change in Net Position	701,874	375,902	(2,713)	49,313	699,161	425,215
Net Position, July 1	1,214,809	838,907	139,755	90,442	1,354,564	929,349
Net Position, June 30	\$ 1,916,683	\$ 1,214,809	\$ 137,042	\$ 139,755	\$ 2,053,725	\$ 1,354,564

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 \$2,148,767, an increase of \$537,644 in comparison with the prior year. The majority of the increase can be attributed to results of operations in the general fund.

The unassigned fund balance for the School District at the end of the fiscal year includes a combination of an unassigned fund balance for the following: General Fund - (\$187,316), Special Revenue Fund - (\$7,111), Debt Service Fund - \$301. 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) reserved for future maintenance projects \$202,745, 2) reserved for future capital projects \$1,332,327, 3) excess surplus which is reserved for future budget appropriation in accordance with state statute \$184,634, 4) appropriated as a revenue source in the subsequent year's budget \$302,650, 5) reserved for unemployment compensation \$18,536, 6) reserved for debt service \$299,547, and 7) reserved for student activities \$2,454.

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

There was no difference between the original budget and the final amended budget.

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$312,156 while total fund balance (budgetary basis) was \$1,235,101. 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 \$7,548,288. Unreserved fund balance (budgetary basis) represents 4.14% of expenditures while total fund balance (budgetary basis) represents 16.36% 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, 2023, totaled \$1,983,398 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment, vehicles, and . The total decrease in the District's investment in capital assets for the current fiscal year was \$164,135, or a 3.89% decrease. This decrease is mainly attributable to depreciation expense.

Capital Asset/Leases (net of accumulated depreciation/amortization) June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		District-Wide	
	2023	2022	2023	2022	2023	2022
Land	\$ 110,000	\$ 110,000	\$ -	\$ -	\$ 110,000	\$ 110,000
Const. in Progress	-	-			-	-
Site Improvements	19,935	22,272			19,935	22,272
Building and Building Improvements	1,663,878	1,795,543			1,663,878	1,795,543
Equipment	80,939	109,622	11,627	13,077	92,566	122,699
Leases & SBITAs	97,019	13,119			97,019	13,119
Total	\$ 1,971,771	\$ 2,050,556	\$ 11,627	\$ 13,077	\$ 1,983,398	\$ 2,063,633

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, 2023, the School District had total bonded debt outstanding of \$1,400,000 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 \$3,830,773 and the legal debt margin was \$2,770,428.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 8) 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 2023-24 fiscal year.

- The district anticipates an increase in state aid for the 2023-2024 fiscal year. The district has been a part of the school choice program since its inception as a pilot program in 2002.
- The Board of Education will continue to monitor expenditures throughout this fiscal 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, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 688,113	\$ 97,831	\$ 785,944
Internal Balances	(17,146)	17,146	
Receivables, net	1,103,381	7,492	1,110,873
Inventories		4,005	4,005
Restricted assets:			
Cash and cash equivalents	417,125		417,125
Capital assets, net	1,874,752	11,627	1,886,379
Right-to-use lease assets, net	7,218		7,218
Right-to-use subscription assets, net	89,801		89,801
Total Assets	4,163,244	138,101	4,301,345
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	98,618	-	98,618
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	4,261,862	138,101	4,399,963
LIABILITIES:			
Accounts payable:			
Other	42,706		42,706
Related to pensions	34,938		34,938
Unearned revenue		1,059	1,059
Accrued Liabilities:			
Interest payable	14,313		14,313
Noncurrent liabilities:			
Due within one year	1,408,366		1,408,366
Due beyond one year	611,528		611,528
Total Liabilities	2,111,851	1,059	2,112,910
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources from pensions	233,328	-	233,328
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,345,179	1,059	2,346,238
NET POSITION:			
Net investment in capital assets	564,166	11,627	575,793
Restricted for:			
Capital projects	1,332,327		1,332,327
Maintenance	202,745		202,745
Debt service	299,848		299,848
Excess surplus	184,634		184,634
Unemployment Compensation	18,536		18,536
Student Activities	2,454		2,454
Unrestricted (Deficit)	(688,027)	125,415	(562,612)
Total Net Position	\$ 1,916,683	\$ 137,042	\$ 2,053,725

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, 2023

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	\$ 2,756,089	\$ -	\$ 619,968	\$ -	\$ (2,136,121)	\$ -	\$ (2,136,121)
Special Education	733,960		102,908		(631,052)		(631,052)
Other instruction	120,681				(120,681)		(120,681)
Support Services:							
Tuition	1,301,175				(1,301,175)		(1,301,175)
Student & instruction related services	936,433		315,463		(620,970)		(620,970)
General administrative services	270,965				(270,965)		(270,965)
School administrative services	900				(900)		(900)
Central administrative services	145,569				(145,569)		(145,569)
Plant operations and maintenance	214,953				(214,953)		(214,953)
Pupil transportation	176,542				(176,542)		(176,542)
Unallocated employee benefits	2,416,185		1,716,017		(700,168)		(700,168)
Transfer of funds to Charter Schools	58,417				(58,417)		(58,417)
Interest on long-term debt	43,438				(43,438)		(43,438)
Unallocated depreciation and amortization	156,160				(156,160)		(156,160)
Total Governmental Activities	<u>9,331,467</u>	<u>-</u>	<u>2,754,356</u>	<u>-</u>	<u>(6,577,111)</u>	<u>-</u>	<u>(6,577,111)</u>
Business-Type Activities:							
Food service	198,106	14,420	185,331	-	-	1,645	1,645
Community education program	24,826	20,468		-	-	(4,358)	(4,358)
Total Business-Type Activities	<u>222,932</u>	<u>34,888</u>	<u>185,331</u>	<u>-</u>	<u>-</u>	<u>(2,713)</u>	<u>(2,713)</u>
Total Primary Government	<u>\$ 9,554,399</u>	<u>\$ 34,888</u>	<u>\$ 2,939,687</u>	<u>\$ -</u>	<u>(6,577,111)</u>	<u>(2,713)</u>	<u>(6,579,824)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					1,424,615		1,424,615
Taxes levied for debt service					103,559		103,559
Federal and State aid unrestricted					5,402,603		5,402,603
Investment and Interest earnings - restricted					1,453		1,453
Miscellaneous					346,755		346,755
Special Items:							
Transfer							-
Total general revenues, special items, extraordinary items and transfers					<u>7,278,985</u>	<u>-</u>	<u>7,278,985</u>
Change in Net Position					701,874	(2,713)	699,161
Net Position - July 1					1,214,809	139,755	1,354,564
Net Position - June 30					<u>\$ 1,916,683</u>	<u>\$ 137,042</u>	<u>\$ 2,053,725</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, 2023

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 848,965	\$ 2,454	\$ 253,819	\$ -	\$ 1,105,238
Interfund Accounts Receivable					
General Fund		136,942		921,863	1,058,805
Special revenue Fund	539,015				539,015
Debt Service Fund			622,015		622,015
Intergovernmental Accounts Receivables:					
Federal		395,820			395,820
State	81,754		242,113		323,867
Other, net	383,694				383,694
	<u>\$ 1,853,428</u>	<u>\$ 535,216</u>	<u>\$ 1,117,947</u>	<u>\$ 921,863</u>	<u>\$ 4,428,454</u>
Total Assets					
	<u>\$ 1,853,428</u>	<u>\$ 535,216</u>	<u>\$ 1,117,947</u>	<u>\$ 921,863</u>	<u>\$ 4,428,454</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable:					
General Fund	\$ -	\$ 539,015	\$ -	\$ -	\$ 539,015
Special revenue Fund	136,942				136,942
Capital Projects Fund				622,015	622,015
Debt Service Fund	921,863				921,863
Enterprise Fund	17,146				17,146
Unearned Revenue					-
Accounts Payable:					
Payroll Deductions and Withholdings Payable	11,583				11,583
Unemployment Compensation Claims Payable	13,601				13,601
Other	16,664	858			17,522
	<u>1,117,799</u>	<u>539,873</u>		<u>622,015</u>	<u>2,279,687</u>
Total Liabilities					
	<u>1,117,799</u>	<u>539,873</u>		<u>622,015</u>	<u>2,279,687</u>
 Fund Balances:					
Restricted:					
Capital Reserve	214,380				214,380
Maintenance Reserve	202,745				202,745
Excess Surplus	184,634				184,634
Unemployment	18,536				18,536
Capital Projects			1,117,947		1,117,947
Debt Service Reserve				299,547	299,547
Student Activities		2,454			2,454
Assigned:					
Other Purposes					
Subsequent Year's Budget	302,650				302,650
Unassigned	(187,316)	(7,111)		301	(194,126)
	<u>735,629</u>	<u>(4,657)</u>	<u>1,117,947</u>	<u>299,848</u>	<u>2,148,767</u>
Total Fund Balances					
	<u>735,629</u>	<u>(4,657)</u>	<u>1,117,947</u>	<u>299,848</u>	<u>2,148,767</u>
Total Liabilities and Fund Balances					
	<u>\$ 1,853,428</u>	<u>\$ 535,216</u>	<u>\$ 1,117,947</u>	<u>\$ 921,863</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 \$5,306,183 and the accumulated depreciation is \$3,431,431.	1,874,752
Leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$20,150 and the accumulated amortization is \$12,932.	7,218
Subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$95,224 and the accumulated amortization is \$5,423.	89,801
Accounts payable related to the April 1, 2024 required PERS contribution that is not to be liquidated with current financial resources.	(34,938)
Accrued interest on debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(14,313)
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	98,618
Net Pension Liability	(418,115)
Deferred Inflows of resources from Pensions	<u>(233,328)</u>
	(552,825)
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	(1,400,000)
Leases Payable	(7,605)
Compensated Absences Payable	<u>(194,174)</u>
	<u>(1,601,779)</u>
Net position of governmental activities	<u>\$ 1,916,683</u>

BROOKLAWN SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local property tax levy	\$ 1,424,615	\$ -	\$ -	\$ 103,559	\$ 1,528,174
Interest earned on capital reserve	600				600
Interest earned on maintenance reserve	743				743
Other restricted miscellaneous revenue	110			299,547	299,657
Unrestricted miscellaneous revenue	47,208				47,208
Federal sources	7,711	1,283,310			1,291,021
State sources	6,310,146	81,696		41,179	6,433,021
Local sources		1,522			1,522
Total Revenues	7,791,133	1,366,528		444,285	9,601,946
EXPENDITURES:					
Current expense:					
Regular instruction	1,806,786	928,708			2,735,494
Special education instruction	635,307	98,653			733,960
Other instruction	120,681				120,681
Support services and undistributed costs:					
Tuition	1,301,175				1,301,175
Student & instruction related services	605,602	330,831			936,433
General administrative services	269,627				269,627
School administrative services	900				900
Central services	109,979				109,979
Administrative Information Technology	34,921				34,921
Plant operations and maintenance	291,267				291,267
Pupil transportation	176,542				176,542
Unallocated employee benefits	2,110,312	13,385			2,123,697
Capital outlay	26,772				26,772
Transfer to charter schools	58,417				58,417
Debt service:					
Principal				100,000	100,000
Interest and other charges				44,437	44,437
Total Expenditures	7,548,288	1,371,577		144,437	9,064,302
Excess (Deficiency) of Revenues over (under) Expenditures	242,845	(5,049)		299,848	537,644
Other Financing Sources (Uses):					
Transfers in					
Transfers out					
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	242,845	(5,049)		299,848	537,644
Fund Balance - July 1	492,784	392	1,117,947		1,611,123
Fund Balances - June 30	\$ 735,629	\$ (4,657)	\$ 1,117,947	\$ 299,848	\$ 2,148,767

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, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 537,644
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<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	\$ (162,685)	
Fixed assets additions	<u> </u>	(162,685)
<p>Capital outlays related and to leases and subscriptions are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This the amount by which capital outlays exceeded amortization in the current fiscal year.</p>		
Amortization expense	(13,377)	
Lease Asset Additions	2,053	
Subscription Asset Additions	<u>95,224</u>	83,900
<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>		
		100,000
<p>Repayment of leases 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>		
		7,862
<p>The proceeds of a lease is an other financing source of revenue in the governmental funds but is not reported in the statement of activities.</p>		
		(2,053)
<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>		
		138,907
<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>		
		999
<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>		
		<u>(2,700)</u>
Change in Net Position of Governmental Activities		<u>\$ 701,874</u>

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, 2023

	Business-Type Activities		
	Enterprise Funds		
	Food Service Fund	After School Program	Total
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 25,521	\$ 72,310	\$ 97,831
Accounts receivable:			
State	332	-	332
Federal	7,160	-	7,160
Interfund receivable	17,146	-	17,146
Inventories	4,005	-	4,005
Total Current Assets	<u>54,164</u>	<u>72,310</u>	<u>126,474</u>
Noncurrent Assets:			
Equipment	46,748	-	46,748
Less - accumulated depreciation	<u>(35,121)</u>	<u>-</u>	<u>(35,121)</u>
Total Noncurrent Assets	<u>11,627</u>	<u>-</u>	<u>11,627</u>
Total Assets	<u>65,791</u>	<u>72,310</u>	<u>138,101</u>
LIABILITIES:			
Cash overdraft		-	-
Accounts payable		-	-
Unearned revenue	1,059	-	1,059
Total Current Liabilities	<u>1,059</u>	<u>-</u>	<u>1,059</u>
NET POSITION:			
Net investment in capital assets	11,627	-	11,627
Unrestricted	<u>53,105</u>	<u>72,310</u>	<u>125,415</u>
Total Net Position	<u>\$ 64,732</u>	<u>\$ 72,310</u>	<u>\$ 137,042</u>

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, 2023

	Business-Type Activities		
	Enterprise Funds		
	Food Service Fund	After School Program	Totals
OPERATING REVENUES:			
Charges for Services:			
Daily sales reimbursable programs:			
School lunch	\$ 9,591	\$ -	\$ 9,591
Daily sales non-reimbursable programs:			
Adult and a la carte meals	533	-	533
Miscellaneous	4,296	-	4,296
Program fees	-	20,468	20,468
	<u>14,420</u>	<u>20,468</u>	<u>34,888</u>
Total Operating Revenues			
OPERATING EXPENSES:			
Salaries	90,020	24,826	114,846
Employee benefits	12,245	-	12,245
Supplies and materials	6,240	-	6,240
Depreciation	1,450	-	1,450
Management Fee	10,684	-	10,684
Other costs	8,080	-	8,080
Cost of sales - reimbursable programs	67,530	-	67,530
Cost of sales - non-reimbursable programs	1,857	-	1,857
	<u>198,106</u>	<u>24,826</u>	<u>222,932</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(183,686)</u>	<u>(4,358)</u>	<u>(188,044)</u>
Non-Operating Revenues:			
State sources:			
State school lunch program	3,693	-	3,693
State school breakfast program	2,275	-	2,275
Summer food program	27	-	27
Federal sources:			
National school lunch program	98,457	-	98,457
National school breakfast program	33,787	-	33,787
Supply chain assistance	27,454	-	27,454
Summer food program	286	-	286
Food distribution program	19,352	-	19,352
	<u>185,331</u>	<u>-</u>	<u>185,331</u>
Total Non-Operating Revenues			
Income (Loss) before Contributions and Transfers	1,645	(4,358)	(2,713)
Operating transfer In	-	-	-
Changes in Net Position	1,645	(4,358)	(2,713)
Net Position - July 1, 2022	<u>63,087</u>	<u>76,668</u>	<u>139,755</u>
Net Position - June 30, 2023	<u>\$ 64,732</u>	<u>\$ 72,310</u>	<u>\$ 137,042</u>

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, 2023

	Business-Type Activities		
	Enterprise Funds		
	Food Service Fund	After School Program	Total
Cash Flows from Operating Activities:			
Cash receipts from customers	\$ 11,676	\$ 20,468	\$ 32,144
Cash payments to employees for services	(82,357)	(24,826)	(107,183)
Cash payments to suppliers for goods and services	(75,717)	-	(75,717)
Net cash provided by (used for) operating activities	(146,398)	(4,358)	(150,756)
Cash Flows from Noncapital Financing Activities:			
Cash received from state sources	5,877	-	5,877
Cash received from federal sources	167,466	-	167,466
Net cash provided by noncapital financing activities	173,343	-	173,343
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	-	-	-
Net cash provided by (used for) capital and related financing activities	-	-	-
Net increase (decrease) in cash and cash equivalents	26,945	(4,358)	22,587
Cash and cash equivalents - July 1, 2022	(1,424)	76,668	75,244
Cash and cash equivalents - June 30, 2023	<u>\$ 25,521</u>	<u>\$ 72,310</u>	<u>\$ 97,831</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)			
Operating Activities:			
Operating income (loss)	\$ (183,686)	\$ (4,358)	\$ (188,044)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:			
Depreciation	1,450	-	1,450
Commodities	19,352	-	19,352
Change in assets and liabilities:			
(Increase) decrease in receivable	-	-	-
(Increase) decrease in interfund accounts receivable	19,907	-	19,907
(Increase) decrease in inventories	(677)	-	(677)
Increase (decrease) in unearned revenue	636	-	636
Increase (decrease) in accounts payable	(3,380)	-	(3,380)
Net cash provided by (used for) operating activities	<u>\$ (146,398)</u>	<u>\$ (4,358)</u>	<u>\$ (150,756)</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, 2023

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, 2023 of 275 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, 2023

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, 2023

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

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, 2023

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, 2023

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, 2023 and 2022 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, 2023

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, 2023.

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.

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

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease Assets - Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

Subscription Assets - Intangible right-to-use subscription assets are assets which the District recognizes at the commencement of a Subscription-Based Information Technology Arrangement (SBITA) that has a term of more than one year. The value of subscription assets is determined by the net present value of the agreements at the District's incremental borrowing rate at the time of the agreement, amortized over the term of the agreement.

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, 2023

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, 2023.

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, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements – In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The District implemented GASB Statement No. 96 for the fiscal year ending June 30, 2023.

In June 2022 the GASB issued Statement 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

In June 2022 the GASB issued Statement 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

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 \$1,412,809 as of June 30, 2023, \$250,000 was insured under FDIC and the remaining balance of \$1,162,809 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.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

3. CAPITAL RESERVE ACCOUNT (Continued)

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

Balance June 30, 2022		\$	163,342
Increased by:			
Interest earned	\$	601	
Unspent Appropriations	<u>50,437</u>		<u>51,038</u>
			214,380
Decreased by:			
Appropriated in budget			<u>-</u>
Balance June 30, 2023		<u>\$</u>	<u>214,380</u>

The June 30, 2023 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 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.

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Proprietary Fund	Total
Intergovernmental						
Federal	\$ -	\$ 395,820	\$ -	\$ -	\$ 7,160	\$ 402,980
State	81,754	-	242,113	-	332	324,199
Other	<u>383,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>383,694</u>
Total	<u>\$ 465,448</u>	<u>\$ 395,820</u>	<u>\$ 242,113</u>	<u>\$ -</u>	<u>\$ 7,492</u>	<u>\$ 1,110,873</u>

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

5. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities:				
Land	\$ 110,000	\$ -	\$ -	\$ 110,000
Construction in Progress	-	-	-	-
Total Capital Assets not being				
Depreciation	110,000	-	-	110,000
Land Improvements	147,364	-	-	147,364
Building and Improvements	4,276,216	-	-	4,276,216
Equipment	772,603	-	-	772,603
Total Historical Cost	<u>5,306,183</u>	<u>-</u>	<u>-</u>	<u>5,306,183</u>
Less Accumulated Depreciation:				
Land Improvements	(125,092)	(2,337)	-	(127,429)
Building and Improvements	(2,480,673)	(131,665)	-	(2,612,338)
Equipment	(662,981)	(28,683)	-	(691,664)
Total Accumulated Depreciation	<u>(3,268,746)</u>	<u>(162,685)</u>	<u>-</u>	<u>(3,431,431)</u>
Governmental Activities Capital				
Assets, Net	<u>\$ 2,037,437</u>	<u>\$ (162,685)</u>	<u>\$ -</u>	<u>\$ 1,874,752</u>
Business-Type Activities:				
Equipment	\$ 46,749	\$ -	\$ -	\$ 46,749
Less - Accumulated Depreciation	<u>(33,672)</u>	<u>(1,450)</u>	<u>-</u>	<u>(35,122)</u>
Business-Type Activities Capital				
Assets, Net	<u>13,077</u>	<u>(1,450)</u>	<u>-</u>	<u>11,627</u>

Depreciation expense in the amount of \$162,685 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 6,525
Unallocated	<u>156,160</u>
Total depreciation expense	<u>\$ 162,685</u>

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

6. LEASE AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ASSETS

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

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities:				
Lease Assets, being Amortized:				
Machinery and Equipment	\$ 24,282	\$ 2,053	\$ 6,185	\$ 20,150
Subscription Assets, being Amortized:				
Subscription-Based IT Arrangements	-	95,224	-	95,224
Total Lease & Subscription Assets	<u>24,282</u>	<u>97,277</u>	<u>6,185</u>	<u>115,374</u>
Being Amortized				
Governmental Activities				
Lease & Subscription Assets	<u>24,282</u>	<u>97,277</u>	<u>6,185</u>	<u>115,374</u>
Less Accumulated Amortization for:				
Machinery and Equipment	(11,163)	(7,954)	6,185	(12,932)
Subscription-Based IT Arrangements	-	(5,423)	-	(5,423)
Total Accumulated Amortization	<u>(11,163)</u>	<u>(13,377)</u>	<u>6,185</u>	<u>(18,355)</u>
Governmental Activities Lease & Subscription Assets, Net	<u>\$ 13,119</u>	<u>\$ 83,900</u>	<u>\$ -</u>	<u>\$ 97,019</u>

Amortization expense in the amount of \$13,377 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 11,370
Administration	1,338
Central Services	<u>669</u>
	<u>\$ 13,377</u>

7. INVENTORY

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food	\$ 3,595
Supplies	<u>410</u>
	<u>\$ 4,005</u>

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

8. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations:

	<u>Balance Outstanding June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding June 30, 2023</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 191,474	\$ 14,565	\$ 11,865	\$ 194,174	\$ 2,160
General Obligation Bonds	1,500,000	-	100,000	1,400,000	1,400,000
Leases Payable	13,414	2,068	7,877	7,605	6,206
Subscription-Based IT Arrangements (SBITAs)	-	95,224	95,224	-	-
Net Pension Liability	405,310	12,805	-	418,115	-
	<u>\$ 2,110,198</u>	<u>\$ 124,662</u>	<u>\$ 214,966</u>	<u>\$ 2,019,894</u>	<u>\$ 1,408,366</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:

2014 General Obligation Bonds dated September 10, 2014, in the amount of \$1,400,000 were paid on September 1, 2023.

As of June 30, 2023, 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.

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

On May 1, 2020, the School District entered a 48-month lease as lessee for the use of copiers. As of June 30, 2023, the lease liability was \$5,537. The School District is required to make monthly payments of \$562. The lease has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2023, was \$5,323 with accumulated amortization of \$12,774.

On April 1, 2023, the School District entered a 39-month lease as lessee for the use of a postage meter. As of June 30, 2023, the lease liability was \$2,068. The School District is required to make quarterly payments of \$180. The lease has an interest rate of 3.00%. The value of the right to use asset as of June 30, 2023, was \$1,895 with accumulated amortization of \$158.

As of June 30, 2023, the District had leases outstanding as follows:

<u>Purpose</u>	<u>Commencement Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Copiers	May 1, 2020	April 1, 2024	4.00%	\$ 5,537
Postage Meter	April 1, 2023	June 1, 2026	3.00%	2,068
Total				<u>\$ 7,605</u>

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

8. LONG-TERM OBLIGATIONS (Continued)

Leases Payable (Continued)

The future annual lease obligations as of June 30, 2023, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 6,206	\$ 134	\$ 6,340
2025	689	31	720
2026	<u>710</u>	<u>10</u>	<u>720</u>
Total	<u>\$ 7,605</u>	<u>\$ 175</u>	<u>\$ 7,780</u>

Subscription-Based IT Arrangements (SBITAs) Payable – For the fiscal year ended June 30, 2023, the School District implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements. These arrangements qualify as other than short-term SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum SBITA payments as of the date of their inception.

On July 1, 2021, the School District entered a 36-month Subscription-Based IT Arrangement for the use of Renaissance Learning – Star Reading program. As of July 1, 2022, an initial liability was recorded in the amount of \$4,727. The District made a payment of \$4,932 on June 16, 2022 and a final payment of \$4,919 on June 30, 2023. The liability was \$-0- as of June 30, 2023. The arrangement has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2023, was \$2,371 with accumulated amortization of \$2,371.

On April 1, 2023, the School District entered a 72-month Subscription-Based IT Arrangement for the use of McGraw-Hill Wonders Reading program. An initial liability was recorded in the amount of \$64,620. The District paid the arrangement in full on June 15, 2023, and the liability was \$-0- as of June 30, 2023. The arrangement has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2023, was \$61,927 with accumulated amortization of \$2,693.

On June 1, 2023, the School District entered a 72-month Subscription-Based IT Arrangement for the use of Savvas Math software. An initial liability was recorded in the amount of \$25,862. The District paid the arrangement in full on June 30, 2023, and the liability was \$-0- as of June 30, 2023. The arrangement has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2023, was \$25,503 with accumulated amortization of \$359.

9. 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 Empower (formerly 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. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at the following website: <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

9. PENSION PLANS (Continued)

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

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:

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 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to 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 2022. 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, 2023 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, 2022, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2023 was \$829,074 and was paid by April 1, 2023. School District employee contributions to the pension plan during the fiscal year ended June 30, 2023 were \$200,405.

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.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

9. PENSION PLANS (Continued)

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

At June 30, 2023, 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, 2023, the School District recognized pension expense of \$275,064 and revenue of \$275,064 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.

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

	<u>06/30/22</u>	<u>06/30/21</u>
Collective deferred outflows of resources	\$ 4,885,289,911	\$ 6,230,825,389
Collective deferred inflows of resources	19,563,805,393	27,221,092,460
Collective net pension liability (Non-Employer – State of New Jersey)	51,676,587,303	48,165,991,182
State's portion of the net pension liability that was associated with the School District	10,220,558	9,687,625
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.0198094266%	.0201509873%

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

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75 – 5.65%
	based on years of service
Investment Rate of Return:	7.00%

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

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

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

9. PENSION PLANS (Continued)

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

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied 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. 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, 2022, the pension plan's 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 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) that the current rate:

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

9. PENSION PLANS (Continued)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	11,983,821	10,220,558	8,735,230
	\$ 11,983,821	\$ 10,220,558	\$ 8,735,230

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. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Authority, 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. For additional information about PERS, please refer to Division's annual financial statements, which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Vesting and Benefit Provisions – The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except 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 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

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. The School District's contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Based on the most recent PERS measurement date of June 30, 2022, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023 was \$37,122 and was paid by April 1, 2023. School District employee contributions to the pension plan during the fiscal year ended June 30, 2023 were \$19,519.

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>
2023	\$ 5,321	\$ 28,104	\$ 1,513	\$ -	\$ 2,184	\$ 37,122
2022	4,852	33,369	1,847	-	2,270	42,338
2021	3,878	28,450	1,642	-	2,226	36,196

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.

At June 30, 2023, the School District reported a liability of \$418,115 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The School District's proportion of the 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.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

For the year ended June 30, 2023, the School District recognized pension expense of (\$103,970). At June 30, 2023, the School District reported a liability of \$418,115 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	\$ 3,018	\$ 2,661
Changes of assumptions	1,295	62,608
Net Difference between projected and actual earnings on pension plan investments	17,305	-
Changes in proportion	42,062	168,059
District contributions subsequent to the measurement date	34,938	
Total	\$ 98,618	\$ 233,328

\$34,938 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ended June 30, 2024.

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
2024	\$ (98,260)
2025	(54,722)
2026	(23,835)
2027	7,080
2028	89
Total	\$ (169,648)

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

9. 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, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-

Additional Information

Collective balances at June 30, 2022 and 2021 are as follows:

	<u>6/30/2022</u>	<u>6/30/2021</u>
Collective deferred outflows of resources	\$ 1,715,543,211	\$ 818,359,815
Collective deferred inflows of resources	\$ 4,112,583,758	\$ 11,243,411,487
Collective net pension liability	\$ 15,219,184,920	\$ 11,972,782,878
School District's Proportion	.0027705527%	.0034213513%

Actuarial assumptions - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

9. 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:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 – 6.55%
	based on years of service
Investment Rate of Return	7.00%

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

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

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

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and nonemployer contributing entity will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied all projected benefit payments to 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, 2022, calculated using the discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 537,155	\$ 418,115	\$ 316,807

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 Empower (formerly 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 Empower 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:

Fiscal Year	Total Liability	Paid by School District
2023	\$ 10,857	\$ 10,857
2022	15,763	15,763
2021	14,366	14,366

**Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan (the “OPEB Plan”) is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the “Division”) and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Contributions

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

Plan Membership

As of June 30, 2022, the program membership consisted of the following:

Active Plan Members	213,148
Retirees	151,669
	364,817

Total Non-Employer OPEB Liability

The State of New Jersey, 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 School District’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the School District 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 board of education/board of trustees. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget webpage: nj.gov/treasury/omb/fr.shtml. The State, as a nonemployer contributing entity, reported a Fiscal Year 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial assumptions and other imputes - The total OPEB liability in the June 30, 2022 actuarial valuation reported by the State in the State’s most recently issued ACFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

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

Inflation rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases	2.75 – 4.25%	2.75 – 6.55%	3.25 – 16.25%
	based on service years	based on service years	based on service years

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS, and PFRS actuarial experience studies prepared for July 1, 2018 to June 30, 2021.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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:

	Total OPEB Liability
Balance as of June 30, 2021	\$ 12,458,569
Changes for the Year	
Service Cost	605,230
Interest	268,720
Changes of benefit terms	-
Differences between expected and actual experience	(214,776)
Changes in assumptions	(2,720,138)
Gross Benefit Payments	(266,175)
Contributions from the Non-employer	N/A
Contributions from the Member	8,539
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ (2,318,600)
Balance at 06/30/2022	\$ 10,139,969

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

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 11,918,467	\$ 10,139,969	\$ 8,714,592

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 8,381,304	\$ 10,139,969	\$ 12,450,082

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

For the year ended June 30, 2023, the School District recognized \$342,351 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 were based on the OPEB Plan’s June 30, 2022 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, 2022, 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
Change in Proportion	\$ 315,094	\$ (679,878)
Differences between expected and actual experience	1,810,387	(3,095,850)
Changes of assumptions	1,754,972	(3,451,092)
Total	\$ 3,880,453	\$ (7,226,820)

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:	
2024	\$ (565,618)
2025	(565,618)
2026	(565,618)
2027	(488,836)
2028	(279,523)
Thereafter	(881,154)
Total	\$ (3,346,367)

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.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2023, 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 \$825,918, \$216,966, and \$359. In addition, \$196,468 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, 2023

12. 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 Annual Comprehensive 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 Annual Comprehensive 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 the School District’s unemployment compensation contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of 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>
2023	\$ -	\$ 110	\$ 6,676	\$ 6,728	\$ 32,137
2022	-	26	6,155	-	32,079
2021	-	42	5,556	1,693	25,898

13. 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.

14. COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted varying 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.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

14. COMPENSATED ABSENCES (Continued)

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2023, the liability for compensated absences in the governmental activities was \$194,174.

15. 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, 2023, 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.

16. 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, 2022, the Borough of Brooklawn had no tax abatements.

17. DEFICIT UNASSIGNED FUND BALANCE

The School District has a deficit unassigned fund balance of \$187,316 in the General Fund and \$7,111 in the Special Revenue Fund as of June 30, 2023, 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. 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 payments 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 special revenue 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 \$187,316 in the General Fund and \$7,111 in the Special Revenue Fund is equal to or less than the June state aid payments.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

18. 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, 2024. The following interfund balances were recorded on the various balance sheets as of June 30, 2023:

Fund	Interfunds Receivable	Interfunds Payable
General	\$ 539,015	\$ 1,075,951
Special Revenue	136,942	539,015
Capital Projects	622,015	-
Debt Service	921,863	622,015
Proprietary	17,146	-
	\$ 2,236,981	\$ 2,236,981

19. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2023, a deficit of \$688,027 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, 2023:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ (194,427)
Assigned	302,650
Liabilities:	
Accrued Interest Payable	(14,313)
Net Pension Differences	(587,763)
Compensated Absences	(194,174)
Unrestricted Net Position (Deficit)	\$ (688,027)

20. 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, 2023 is \$184,634 presented on the budgetary basis of accounting (Exhibit C-1).

Capital Reserve – As of June 30, 2023, the balance in the capital reserve account is \$214,380. Of this amount, \$150,000 has been appropriated for use in the 2023-2024 Budget. The remaining amount is restricted for future capital outlay expenditures for capital projects in the School District's approved Long-Range Facilities Plan.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

20. FUND BALANCES (Continued)

General Fund (Continued):

Maintenance Reserve Account – As of June 30, 2023, the balance in the maintenance reserve account is \$202,745. 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).

Unemployment Compensation – As of June 30, 2023, the balance in unemployment compensation is \$18,536. These funds are restricted for the purpose of financing unemployment claims.

Special Revenue Fund:

Student Activities - As of June 30, 2023, the balance in the student activities account is \$2,454.

Capital Projects Fund – As of June 30, 2023, the balance was \$1,117,947.

Debt Service Fund:

Debt Service Reserve – As of June 30, 2023, the balance in the debt service reserve is \$299,547.

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 appropriated \$302,650 of fund balance as anticipated revenue for the fiscal year ending June 30, 2024.

Debt Service Fund:

Designated for Subsequent Year's Expenditures – The School District appropriated \$301 of fund balance as anticipated revenue for the fiscal year ending June 30, 2024.

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, 2023, the unassigned fund balance of the general fund was a deficit of \$187,316. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 17).

Special Revenue Fund – As of June 30, 2023, the unassigned fund balance of the special revenue fund was a deficit of \$7,111. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 17).

Debt Service – As of June 30, 2023, the unassigned fund balance of the debt service fund was \$301.

21. SUBSEQUENT EVENTS

On September 1, 2023, the District paid \$1,300,000 of callable outstanding principal on the 2014 School Bonds. The early extinguishment was funded by the Debt Service Reserve and a transfer from the Capital Projects Fund.

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, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 1,424,615	\$ -	\$ 1,424,615	\$ 1,424,615	\$ -
Interested earned on capital reserve	20		20	600	580
Interested earned on maintenance reserve	3		3	743	740
Other restricted miscellaneous revenue				110	110
Unrestricted misc. revenues	2,000	-	2,000	47,208	45,208
Total local sources	1,426,638		1,426,638	1,473,276	46,638
State sources:					
School Choice aid	392,767		392,767	392,767	
Categorical special education aid	271,023		271,023	271,023	
Equalization aid	4,195,519		4,195,519	4,195,519	
Security aid	110,945		110,945	110,945	
Transportation aid	17,795		17,795	17,795	
Adjustment Aid	75,296		75,296	75,296	
Extraordinary Aid				61,532	61,532
Nonpublic Transportation Aid				624	624
Lead Testing Aid				770	770
On-behalf TPAF pension contrib. (non-budgeted)				825,918	825,918
On-behalf post retirement med (non-budgeted)				216,966	216,966
On-behalf TPAF LTDI (non-budgeted)				359	359
Reimbursed TPAF social security contribution (non-budgeted)				196,468	196,468
Total state sources	5,063,345		5,063,345	6,365,982	1,302,637
Federal sources:					
Medicaid reimbursement				7,711	7,711
Total federal sources	-	-	-	7,711	7,711
TOTAL REVENUES	6,489,983		6,489,983	7,846,969	1,356,986
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	88,441	823	89,264	89,139	125
Kindergarten	75,710	4,955	80,665	80,665	
Grades 1-5	732,782	33,361	766,143	765,632	511
Grades 6-8	591,215	74,979	666,194	666,194	
Regular Programs - Home Instruction:					
Purchased professional-educational services	5,000	(5,000)			
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	207,834	(12,018)	195,816	195,816	
Purchased professional educational services	5,000	(5,000)			
Purchased technical services	8,000	(8,000)			
Other purchased services	26,500	(12,106)	14,394	2,501	11,893
General supplies	35,272	(18,397)	16,875	6,839	10,036
Textbooks	5,000	(5,000)			
Other objects	3,000	(3,000)			
Total instruction	1,783,754	45,597	1,829,351	1,806,786	22,565
Special Education Instruction:					
Multiple Disabilities:					
Salaries of teachers	62,152	2,913	65,065	65,065	
Total multiple disabilities	62,152	2,913	65,065	65,065	
Resource room/resource center:					
Salaries of teachers	504,407	(16,866)	487,541	487,541	
Other salaries for instruction	130,260	(27,430)	102,830	81,855	20,975
General supplies	1,000		1,000	846	154
Textbooks	2,000		2,000		2,000
Total resource room/resource center	637,667	(44,296)	593,371	570,242	23,129

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
General Fund
For the Fiscal Year Ended June 30, 2023

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:					
General supplies	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ 1,000
Total preschool disabilities - full-time	1,000		1,000		1,000
Total Special Education - Instruction	700,819	(41,383)	659,436	635,307	24,129
Basic Skills/Remedial - Instruction:					
Salaries of teachers	88,441	823	89,264	89,264	-
General supplies	1,000		1,000		1,000
Textbooks	2,000	(823)	1,177		1,177
Total preschool disabilities - part-time	91,441		91,441	89,264	2,177
School-Sponsored Co-curricular Act - Instruction:					
Salaries	10,000	647	10,647	10,647	-
Supplies and materials					
Total school-sponsored cocurr. act. - instruct.	10,000	647	10,647	10,647	
School-Sponsored Athletics - Instruction:					
Salaries	10,000	5,100	15,100	15,100	
Purchased services	4,000	522	4,522	4,522	
General supplies					
Other objects	7,000	(4,871)	2,129	1,148	981
Total school-sponsored athletics - instruct.	21,000	751	21,751	20,770	981
Total Instruction	2,607,014	5,612	2,612,626	2,562,774	49,852
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	861,704	4,043	865,747	865,747	
Tuition to other LEAs within the state - spec	98,563		98,563	98,563	
Tuition to County Voc School District - reg.	37,801	6,702	44,503	44,503	
Tuition to CCSD & Regional Day Schools	41,130	8,550	49,680	49,680	
Tuition to priv. sch. for the disabled in state	174,326	68,356	242,682	242,682	
Tuition - state facilities					
Total undistributed expenditures - instruction	1,213,524	87,651	1,301,175	1,301,175	
Attendance and Social Work Services					
Purchased Professional and Technical Services		13,948	13,948		13,948
Total attendance and social work services		13,948	13,948		13,948
Health Services:					
Salaries	66,395	3,070	69,465	69,465	
Purchased professional and technical services	2,000	105	2,105	2,105	
Other purchased services	600	(600)			
Supplies and materials	2,000	503	2,503	1,867	636
Other Objects	3,000	1,416	4,416	4,416	
Total health services	73,995	4,494	78,489	77,853	636
Speech, OT, PT & Related Services:					
Salaries	23,846	720	24,566	24,566	
Purchased professional and educational services	75,000	(74,928)	72		72
Supplies and materials	1,000		1,000	278	722
Total speech, ot, pt, & related services	99,846	(74,208)	25,638	24,844	794
Extraordinary Services:					
Purchased professional and educational services	200,000	8,432	208,432	200,137	8,295
Supplies and materials	1,000	(1,000)			
Total extraordinary services	201,000	7,432	208,432	200,137	8,295

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
General Fund
For the Fiscal Year Ended June 30, 2023

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Guidance:					
Salaries of Other Professional Staff	\$ 1,000	\$ (860)	\$ 140	\$ -	140
Total Guidance	<u>1,000</u>	<u>(860)</u>	<u>140</u>	<u>-</u>	<u>140</u>
Child Study Teams:					
Salaries of other professional staff	185,482	(24,848)	160,634	160,634	-
Salaries of secretarial and clerical assistants					
Purchased professional-educational services	2,000	(2,000)			
Other purchased prof. and tech. services	2,000	(1,300)	700		700
Other purchased services	6,000	(5,235)	765		765
Miscellaneous Purchased Services other than Residential		1,447	1,447	1,447	
Supplies and materials	7,000	(6,904)	96	96	
Other objects	<u>6,000</u>	<u>(5,466)</u>	<u>534</u>	<u>-</u>	<u>534</u>
Total other support services student - special	<u>208,482</u>	<u>(44,306)</u>	<u>164,176</u>	<u>162,177</u>	<u>1,999</u>
Improvement of Instructional Services:					
Salaries of supervisor of instruction	40,514	5,786	46,300	46,300	
Salaries of secretarial and clerical assistants	40,750	10,852	51,602	51,602	
Other purchased services	5,000	(486)	4,514	1,010	3,504
Supplies and materials	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total improvement of instructional services	<u>87,264</u>	<u>15,152</u>	<u>102,416</u>	<u>98,912</u>	<u>3,504</u>
Educational Media Services/School Library:					
Salaries					
Purchased professional and technical services	2,000	(2,000)			
Other purchased services	1,000	(24)	976		976
Supplies and materials	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total educational media services/school library	<u>4,000</u>	<u>(2,024)</u>	<u>1,976</u>	<u>-</u>	<u>1,976</u>
Improvement of Instructional Staff Training Services:					
Salaries of supervisor of instruction	40,514	486	41,000	41,000	
Purchased professional-educational services	2,000	(1,851)	149		149
Other purchased services	5,000	(4,208)	792	679	113
Supplies and materials	<u>2,000</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total improvement of instructional staff train. serv.	<u>49,514</u>	<u>(7,573)</u>	<u>41,941</u>	<u>41,679</u>	<u>262</u>
General Administration:					
Salaries	181,410		181,410	181,362	48
Legal services	15,000	(3,600)	11,400	11,400	
Audit fees	25,500	200	25,700	25,700	
Architect/Engineering services	4,500	(4,500)			
Purchased technical services	2,000	(1,598)	402		402
Communications / telephone	25,000	(8,698)	16,302	15,577	725
Board of Education other purchased services	1,000	27,559	28,559	28,559	
Miscellaneous purchased services	5,200	(4,574)	626	50	576
Supplies and materials	2,000	(1,882)	118	118	
BOE in-house training/meeting supplies	1,000		1,000		1,000
Miscellaneous expenditures	4,000	636	4,636	4,636	
Board of Education dues and fees	<u>3,000</u>	<u>(36)</u>	<u>2,964</u>	<u>2,225</u>	<u>739</u>
Total general administration	<u>269,610</u>	<u>3,507</u>	<u>273,117</u>	<u>269,627</u>	<u>3,490</u>
School Administration:					
Other purchased services	1,100		1,100	500	600
Supplies and materials	2,000	1,490	3,490	400	3,090
Other objects	<u>2,000</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total school administration	<u>5,100</u>	<u>(510)</u>	<u>4,590</u>	<u>900</u>	<u>3,690</u>
Central services					
Salaries	52,448	(11,251)	41,197	40,747	450
Purchased professional services		34,956	34,956	34,956	
Purchased technical services	35,000	(2,260)	32,740	32,740	
Misc. Purchased Services	500	(300)	200	150	50
Supplies and materials	2,000	(984)	1,016	30	986
Miscellaneous Expenditures	<u>1,200</u>	<u>156</u>	<u>1,356</u>	<u>1,356</u>	<u>-</u>
Total central services	<u>91,148</u>	<u>20,317</u>	<u>111,465</u>	<u>109,979</u>	<u>1,486</u>

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, 2023

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Administrative Information Technology					
Salaries	\$ 30,000	\$ (836)	\$ 29,164	\$ 29,164	\$ -
Purchased technical services	5,000	1,369	6,369	5,549	820
Supplies and materials	7,676	(7,676)			
Other Objects		208	208	208	
Total administrative information technology	42,676	(6,935)	35,741	34,921	820
Required Maintenance School Facilities:					
Salaries					
Cleaning, repair and maintenance services	15,000	7,513	22,513	14,106	8,407
General supplies	20,000	(7,105)	12,895	12,895	
Total required maintenance school facilities	35,000	408	35,408	27,001	8,407
Custodial Services:					
Salaries	118,958	9,765	128,723	109,724	18,999
Salaries- Non-Instructional Aides		4,658	4,658	4,658	
Purchased professional & technical services	4,000	(1,299)	2,701	2,701	
Cleaning, repair and maintenance services	10,000	5,000	15,000	14,537	463
Other purchased property services	10,000	(6,686)	3,314	3,314	
Insurance	54,000	(6,299)	47,701	47,701	
General Supplies	5,000		5,000	4,871	129
Energy (Natural Gas)	55,000	(32,297)	22,703	22,434	269
Energy (Electricity)	55,000		55,000	50,323	4,677
Energy (Gasoline)	1,000		1,000		1,000
Other objects		1,603	1,603	1,603	
Total custodial services	312,958	(25,555)	287,403	261,866	25,537
Care and Upkeep of Grounds:					
Purchased professional & technical services	6,500	(5,600)	900	900	
Cleaning, repair and maintenance services	2,000	(2,000)			
General supplies	1,000	500	1,500	1,500	
Total care and upkeep of grounds	9,500	(7,100)	2,400	2,400	
Security					
Purchased professional & technical services	5,000	(5,000)			
Total security	5,000	(5,000)			
Total operation & maint. of plant services	362,458	(37,247)	325,211	291,267	33,944
Student Transportation Services:					
Management fee - ESC & CTSA Trans program	7,000	16,229	23,229	8,636	14,593
Contr. serv. - Aid in Lieu Payments - NonPublic	11,000	7,144	18,144	18,144	
Contr. serv. - Aid in Lieu Payments - Charter Sch	5,000	(3,636)	1,364	1,000	364
Contr. serv. (between home & sch) - vendor		6,356	6,356	4,822	1,534
Contr. serv. (not between home & sch) - vendor	50,000	(50,000)			
Contr. serv. (between home & sch) - joint agreee.	20,000	(20,000)			
Contr. serv. (special ed students) - vendor	20,000	(19,615)	385		385
Contr. serv. (regular ed students) - ESC's	30,000	(28,835)	1,165		1,165
Contr. serv. (special ed students) - ESC's	80,000	63,940	143,940	143,940	
Total student transportation services	223,000	(28,417)	194,583	176,542	18,041
Unallocated Benefits - Employee Benefits:					
Social security contributions	57,000	7,345	64,345	53,979	10,366
Other retirement contributions - PERS	40,000	4,645	44,645	44,645	
Unemployment compensation	5,000	(5,000)			
Workmen's compensation	35,000	(7,851)	27,149	27,149	
Health benefits	656,000	32,558	688,558	688,558	
Tuition reimbursement	12,000	(7,284)	4,716	4,716	
Other employee benefits	27,000	23,634	50,634	50,634	
Unused sick payment to terminated/retired staff	5,000	(4,080)	920	920	
Total unallocated benefits - employee benefits	837,000	43,967	880,967	870,601	10,366

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, 2023

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
On-behalf TPAF pension contr. (non-budgeted)	\$ -	\$ -	\$ -	825,918	\$ (825,918)
On-behalf TPAF post retirement med. (non-budgeted)				216,966	(216,966)
On-behalf TPAF LTDI (non-budgeted)				359	(359)
Reimbursed TPAF social security contr. (non-budgeted)				196,468	(196,468)
Total Undistributed Expenditures	<u>3,769,617</u>	<u>(5,612)</u>	<u>3,764,005</u>	<u>4,900,325</u>	<u>(1,136,320)</u>
Total General Current Expense	<u>6,376,631</u>		<u>6,376,631</u>	<u>7,463,099</u>	<u>(1,086,468)</u>
CAPITAL OUTLAY:					
Facilities Acquisition & Construction:					
Assessment for Debt Service on SDA Funding	<u>26,772</u>		<u>26,772</u>	<u>26,772</u>	
Total facilities, acquisition & construction	<u>26,772</u>		<u>26,772</u>	<u>26,772</u>	
Total Capital Outlay	<u>26,772</u>		<u>26,772</u>	<u>26,772</u>	
Transfer of Funds to Charter Schools	<u>86,557</u>		<u>86,557</u>	<u>58,417</u>	<u>28,140</u>
TOTAL EXPENDITURES	<u>6,489,960</u>		<u>6,489,960</u>	<u>7,548,288</u>	<u>(1,058,328)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>23</u>		<u>23</u>	<u>298,681</u>	<u>298,658</u>
Other Financing Sources:					
Operating transfers out - Enterprise Fund					
Total Other Financing Sources					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	<u>23</u>		<u>23</u>	<u>298,681</u>	<u>298,658</u>
Fund Balance, July 1	<u>936,420</u>		<u>936,420</u>	<u>936,420</u>	
Fund Balance, June 30	<u>\$ 936,443</u>	<u>\$ -</u>	<u>\$ 936,443</u>	<u>\$ 1,235,101</u>	<u>\$ 298,658</u>
Recapitulation:					
Restricted:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures				\$ 150,000	
Capital Reserve				64,380	
Maintenance Reserve					
Designated for Subsequent Year's Expenditures				-	
Maintenance Reserve				202,745	
Unemployment Compensation				18,536	
Excess Surplus:					
Current Year				184,634	
Assigned:					
Designated for Subsequent Year's Expenditures				302,650	
Unassigned				<u>312,156</u>	
				1,235,101	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				<u>(499,472)</u>	
Fund Balance per Government Fund (GAAP)				<u>735,629</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, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ 1,522	\$ 1,522
State sources	71,112	10,344	81,456	81,456	-
Federal sources	1,497,115	101,383	1,598,498	1,283,310	(315,188)
Total Revenues	1,568,227	111,727	1,679,954	1,366,288	(313,666)
EXPENDITURES:					
Instruction:					
Salaries of teachers	84,367	-	84,367	84,367	
Other salaries for instruction	10,462	-	10,462	10,462	
Tuition	750,271		750,271	750,271	
Purchased professional technical services	7,383		7,383	7,383	
Other Purchased professional General supplies	103,440	106,264	209,704	174,878	34,826
Total instruction	955,923	106,264	1,062,187	1,027,361	34,826
Support Services:					
Salaries					
Personal services - employee benefits	13,385		13,385	13,385	
Purchased professional technical services	84,358	5,463	89,821	48,340	41,481
Purchased property services	442,591		442,591	237,616	204,975
Other Purchased services	18,670		18,670	18,750	(80)
Supplies and materials	19,700		19,700	19,314	386
Student Activities				6,811	(6,811)
Total support services	578,704	5,463	584,167	344,216	239,951
Facilities Acq. and Const. Services - instructional equipment					
Instructional equipment					
Non-instructional equipment	33,600		33,600		33,600
	33,600		33,600		33,600
Total Expenditures	1,568,227	111,727	1,679,954	1,371,577	308,377
Total Outflows	1,568,227	111,727	1,679,954	1,371,577	308,377
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	(5,289)	\$ (5,289)
Fund Balance, July 1				7,743	
Fund Balance, June 30				\$ 2,454	
Recapitulation:					
Restricted:					
Student Activities				\$ 2,454	
Total Fund Balance				\$ 2,454	

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, 2023

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 7,846,969	\$ 1,366,288
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.	443,636	7,351
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(499,472)	(7,111)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 7,791,133	\$ 1,366,528
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 7,548,288	\$ 1,371,577
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	\$ 7,548,288	\$ 1,371,577

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 Ten Fiscal Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	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)	0.0027705527%	0.0034213513%	0.0031052620%	0.0036074542%	0.0039132304%	0.0041279448%	0.0051101677%	0.0058046009%	0.0060747060%	0.0056158125%
District's proportionate share of the net pension liability (asset)	\$ 418,115	\$ 405,310	\$ 506,387	\$ 650,010	\$ 770,496	\$ 960,920	\$ 1,513,485	\$ 1,303,017	\$ 1,137,351	\$1,073,293
District's covered-employee payroll	247,255	183,810	213,439	238,714	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	169.10%	220.50%	237.25%	272.30%	338.79%	376.77%	521.71%	444.94%	357.74%	353.66%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 34,938	\$ 37,122	\$ 42,338	\$ 36,196	\$ 37,425	\$ 41,343	\$ 41,259	\$ 47,560	\$ 52,043	\$ 52,205
Contributions in relation to the contractually required contributions	<u>(34,938)</u>	<u>(37,122)</u>	<u>(42,338)</u>	<u>(36,196)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	247,255	183,810	213,439	238,714	227,426	255,039	290,099	292,851	317,927	303,481
Contributions as a percentage of covered-employee payroll	14.13%	20.20%	19.84%	15.16%	16.46%	16.21%	14.22%	16.24%	16.37%	17.20%

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

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	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)	0.0198094266%	0.0201509873%	0.0192901786%	0.0198329006%	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	\$ 10,220,558	\$ 9,687,625	\$ 12,702,351	\$ 12,171,538	\$ 13,298,945	\$ 13,257,391	\$ 15,191,773	\$ 11,801,307	\$ 10,297,958	\$ 9,355,455
Total	\$ 10,220,558	\$ 9,687,625	\$ 12,702,351	\$ 12,171,538	\$ 13,298,945	\$ 13,257,391	\$ 15,191,773	\$ 11,801,307	\$ 10,297,958	\$ 9,355,455
District's covered-employee payroll	2,635,014	2,362,288	2,249,040	2,221,010	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%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	28.71%	28.71%	33.64%	33.76%

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
Last Six Fiscal Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.02%	0.02%	0.02%	0.02%	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	\$ 10,139,969	\$ 12,458,569	\$ 14,422,107	\$ 8,690,974	\$ 9,602,613	\$ 10,960,039
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 10,139,969</u>	<u>\$ 12,458,569</u>	<u>\$ 14,422,107</u>	<u>\$ 8,690,974</u>	<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%	0.00%	0.00%	0.00%	0.00%
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability						
Service Cost	\$ 605,230	\$ 710,485	\$ 397,422	\$ 414,541	\$ 475,965	\$ 573,824
Interest	268,720	323,188	313,870	382,702	405,011	347,804
Changes in benefit terms		(13,261)				
Difference between expected and actual experiences	(214,776)	(2,749,921)	2,628,885	(1,579,586)	(888,558)	
Changes of assumptions	(2,720,138)	12,291	2,634,423	129,583	(1,101,948)	(1,468,309)
Member Contributions	8,539	8,262	7,610	7,908	8,874	9,348
Benefit payments	(266,175)	(254,582)	(251,077)	(266,787)	(256,770)	(253,858)
Net Change in total OPEB Liability	\$ (2,318,600)	\$ (1,963,538)	\$ 5,731,133	\$ (911,639)	\$ (1,357,426)	\$ (791,191)
Total OPEB Liability - beginning	<u>\$ 12,458,569</u>	<u>\$ 14,422,107</u>	<u>\$ 8,690,974</u>	<u>\$ 9,602,613</u>	<u>\$ 10,960,039</u>	<u>\$ 11,751,230</u>
Total OPEB Liability - ending	<u>\$ 10,139,969</u>	<u>\$ 12,458,569</u>	<u>\$ 14,422,107</u>	<u>\$ 8,690,974</u>	<u>\$ 9,602,613</u>	<u>\$ 10,960,039</u>
District's covered-employee payroll	2,882,269	2,546,098	2,462,479	2,459,724	2,414,511	2,287,917
Total OPEB Liability as a percentage of covered-employee payroll	351.81%	489.32%	585.67%	353.33%	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 – Part III
For the Fiscal Year Ended June 30, 2023

Teacher’s Pension and Annuity Fund (TPAF)

Changes of benefit term: There were none.

Changes of assumptions: There were none.

Public Employees’ Retirement System (PERS)

Changes of benefit term: There were none.

Changes of assumptions: There were none.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

Other Supplementary Information

Special Revenue Fund

BROOKLAWN SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year ended June 30, 2023

	IDEA Basic	IDEA Preschool	CRRSA ESSER II	CRRSA Learning Acceleration	CRRSA Mental Health	ARP ESSER III	ARP Accelerated Learning	E-1a Total	Total
REVENUES:									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,522	\$ 1,522
State sources	-	-	-	-	-	-	-	81,456	81,456
Federal sources	91,725	6,928	31,019	25,531	16,072	874,631	9,456	227,948	1,283,310
Total Revenues	91,725	6,928	31,019	25,531	16,072	874,631	9,456	310,926	1,366,288
EXPENDITURES:									
Instruction:									
Salaries of teachers				23,717				60,650	84,367
Other salaries for instruction								10,462	10,462
Tuition	91,725					658,546		-	750,271
Purchased professional - technical services		6,928	455					-	7,383
Other Purchased services								-	-
Supplies and Materials			2,206					172,672	174,878
Total Instruction	91,725	6,928	2,661	23,717	-	658,546	-	243,784	1,027,361
Support Services:									
Salaries									-
Personal services-employee benefits				1,814	11,571			-	13,385
Purchased professional - technical services					4,501		9,456	34,383	48,340
Purchased property services			21,531			216,085		-	237,616
Other Purchased professional								18,750	18,750
Supplies and Materials			6,827					12,487	19,314
Student Activities								6,811	6,811
Total Support Services			28,358	1,814	16,072	216,085	9,456	72,431	344,216
Facilities acq. and constr. services:									
Non-Instructional equipment								-	
Total facilities acq and const services			-	-	-	-	-		
Total Expenditures	91,725	6,928	31,019	25,531	16,072	874,631	9,456	316,215	1,371,577
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	-	(5,289)	(5,289)
Fund Balance, July 1	-	-	-	-	-	-	-	7,743	7,743
Fund Balance, June 30								\$ 2,454	\$ 2,454

BROOKLAWN SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year ended June 30, 2023

	Preschool Education Program	SDA Emergent Needs and Capital - PY	SDA Emergent Needs and Capital - CY	Title I	Title II A	Title IV	Student Activities	Total
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,522	\$ 1,522
State sources	71,112	3,989	6,355	-	-	-	-	81,456
Federal sources				200,597	14,487	12,864	-	227,948
Total Revenues	71,112	3,989	6,355	200,597	14,487	12,864	1,522	310,926
EXPENDITURES:								
Instruction:								
Salaries of teachers	60,650							60,650
Other salaries for instruction	10,462							10,462
Tuition								-
Purchased professional - technical services								-
Other Purchased services								-
Supplies and Materials				172,672				172,672
Total Instruction	71,112	-	-	172,672	-	-		243,784
Support Services:								
Personal services-employee benefits								-
Purchased professional - technical services		3,989	6,355	11,175		12,864		34,383
Other Purchased professional services				16,750	2,000			18,750
Supplies and Materials					12,487			12,487
Student Activities							6,811	6,811
Total Support Services	-	3,989	6,355	27,925	14,487	12,864	6,811	72,431
Facilities acq. and constr. services:								
Non-Instructional equipment								
Total facilities acq and const services								
Total Expenditures	71,112	3,989	6,355	200,597	14,487	12,864	6,811	316,215
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	(5,289)	(5,289)
Fund Balance, July 1	-	-	-	-	-	-	7,743	7,743
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,454	\$ 2,454

**BROOKLAWN SCHOOL DISTRICT
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2023**

DISTRICT WIDE TOTAL

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 60,650		\$ 60,650	\$ 60,650	\$ -
Other salaries for instruction	10,462		10,462	10,462	-
Total instruction	<u>71,112</u>		<u>71,112</u>	<u>71,112</u>	
Support Services:					
Personal services - Employee benefits					
Total support services					
Total Expenditures	<u>\$ 71,112</u>	<u>\$ -</u>	<u>\$ 71,112</u>	<u>\$ 71,112</u>	<u>\$ -</u>

SUMMARY OF LOCATION TOTALS

Total 2022-23 Preschool Education Aid allocation	\$ 71,112
Add: Actual Preschool Education Aid Carryover (June 30, 2021)	-
Add: Budgeted transfer from the General Fund 2022-23	-
Total Preschool Education Aid Funds available for 2022-23 budget	<u>71,112</u>
Less: 2022-23 Budgeted Preschool Education Aid (including prior year budgeted carryover)	<u>(71,112)</u>
Available & unbudgeted Preschool Education Aid Funds as of June 30, 2023	-
Add: June 30, 2023 Unexpended Preschool Education Aid	-
Total Actual Carryover - Preschool Education Aid	<u>\$ -</u>
2022-23 Preschool Education Aid Carryover Budgeted in 2023-24	<u>\$ -</u>

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, 2023**

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, 2022	1,117,947
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Fund Balance - June 30, 2023	\$ 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, 2023

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
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
 Expenditures and Other Financing Uses:				
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

Additional project information:

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, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ 137,860	\$ -	\$ 137,860	\$ 137,860
Transfer from capital outlay	63,640		63,640	63,640
Total revenues	<u>201,500</u>	<u> </u>	<u>201,500</u>	<u>201,500</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	28,551		28,551	28,551
Construction	128,221		128,221	128,221
Total expenditures	<u>156,772</u>	<u> </u>	<u>156,772</u>	<u>156,772</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 44,728</u>	<u>\$ -</u>	<u>\$ 44,728</u>	<u>\$ 44,728</u>
Additional project information:				
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, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
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>
Expenditures and Other Financing Uses:				
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>
Additional project information:				
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

BROOKLAWN SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2023

	<u>Food Service Fund</u>	<u>After School Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 25,521	\$ 72,310	\$ 97,831
Accounts receivable:			
State	332	-	332
Federal	7,160	-	7,160
Interfund receivable	17,146	-	17,146
Inventories	4,005	-	4,005
Total Current Assets	<u>54,164</u>	<u>72,310</u>	<u>126,474</u>
Noncurrent Assets:			
Equipment	46,748	-	46,748
Less - accumulated depreciation	<u>(35,121)</u>	<u>-</u>	<u>(35,121)</u>
Total Noncurrent Assets	<u>11,627</u>	<u>-</u>	<u>11,627</u>
Total Assets	<u>65,791</u>	<u>72,310</u>	<u>138,101</u>
LIABILITIES:			
Cash overdraft	-	-	-
Accounts payable	-	-	-
Unearned revenue	1,059	-	1,059
Total Current Liabilities	<u>1,059</u>	<u>-</u>	<u>1,059</u>
NET POSITION:			
Net investment in capital assets	11,627	-	11,627
Unrestricted	53,105	72,310	125,415
Total Net Position	<u>\$ 64,732</u>	<u>\$ 72,310</u>	<u>\$ 137,042</u>

BROOKLAWN SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2023

	Food Service Fund	After School Program	Totals
OPERATING REVENUES:			
Charges for Services:			
Daily sales reimbursable programs:			
School lunch	\$ 9,591	\$ -	\$ 9,591
Daily sales non-reimbursable programs:			
Adult and a la carte meals	533	-	533
Miscellaneous	4,296	-	4,296
Program fees	-	20,468	20,468
	<u>14,420</u>	<u>20,468</u>	<u>34,888</u>
Total Operating Revenues			
OPERATING EXPENSES:			
Salaries	90,020	24,826	114,846
Employee benefits	12,245	-	12,245
Supplies and materials	6,240	-	6,240
Depreciation	1,450	-	1,450
Management fee	10,684	-	10,684
Other costs	8,080	-	8,080
Cost of sales - reimbursable programs	67,530	-	67,530
Cost of sales - non-reimbursable programs	1,857	-	1,857
	<u>198,106</u>	<u>24,826</u>	<u>222,932</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(183,686)</u>	<u>(4,358)</u>	<u>(188,044)</u>
Non-Operating Revenues:			
State sources:			
State school lunch program	3,693	-	3,693
State school breakfast program	2,275	-	2,275
Summer food program - state supplement	27	-	27
Federal sources:			
National school lunch program	98,457	-	98,457
National school breakfast program	33,787	-	33,787
Supply chain assistance	27,454	-	27,454
Summer food program	286	-	286
Food distribution program	19,352	-	19,352
	<u>185,331</u>	<u>-</u>	<u>185,331</u>
Total Non-Operating Revenues			
Income (Loss) before Contributions and Transfers	1,645	(4,358)	(2,713)
Operating Transfers In/(out)	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Position	1,645	(4,358)	(2,713)
Net Position - July 1, 2022	<u>63,087</u>	<u>76,668</u>	<u>139,755</u>
Net Position - June 30, 2023	<u>\$ 64,732</u>	<u>\$ 72,310</u>	<u>\$ 137,042</u>

BROOKLAWN SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	<u>Food Service Fund</u>	<u>After School Program</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash receipts from customers	\$ 11,676	\$ 20,468	\$ 32,144
Cash payments to employees for services	(82,357)	(24,826)	(107,183)
Cash payments to suppliers for goods and services	<u>(75,717)</u>	<u>-</u>	<u>(75,717)</u>
Net cash provided by (used for) operating activities	<u>(146,398)</u>	<u>(4,358)</u>	<u>(150,756)</u>
Cash Flows from Noncapital Financing Activities:			
Cash received from state sources	5,877	-	5,877
Cash received from federal sources	<u>167,466</u>	<u>-</u>	<u>167,466</u>
Net cash provided by noncapital financing activities	<u>173,343</u>	<u>-</u>	<u>173,343</u>
Cash Flows from Capital and Related Financing Activities:			
Purchases of capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	26,945	(4,358)	22,587
Cash and cash equivalents - July 1, 2022	<u>(1,424)</u>	<u>76,668</u>	<u>75,244</u>
Cash and cash equivalents - June 30, 2023	<u><u>\$ 25,521</u></u>	<u><u>\$ 72,310</u></u>	<u><u>\$ 97,831</u></u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)			
Operating Activities:			
Operating income (loss)	\$ (183,686)	\$ (4,358)	\$ (188,044)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:			
Depreciation	1,450	-	1,450
Commodities	19,352	-	19,352
Change in assets and liabilities:			
(Increase) decrease in interfund receivable	19,907	-	19,907
(Increase) decrease in inventories	(677)	-	(677)
Increase (decrease) in unearned revenue	636	-	636
Increase (decrease) in accounts payable	<u>(3,380)</u>	<u>-</u>	<u>(3,380)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (146,398)</u></u>	<u><u>\$ (4,358)</u></u>	<u><u>\$ (150,756)</u></u>

Long-Term Debt Schedules

**BROOKLAWN SCHOOL DISTRICT
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2023**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023
			Date	Amount					
2014 School Bonds	09/10/14	\$ 1,985,000	09/01/23	\$ 1,400,000	3.00%	\$ 1,500,000	\$ -	\$ 100,000	\$ 1,400,000
						\$ 1,500,000	\$ -	\$ 100,000	\$ 1,400,000

BROOKLAWN SCHOOL DISTRICT
Schedule of Obligations Under Leases
For the Fiscal Year Ended June 30, 2023

Purpose	Interest Rate	Original Issue	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023
Computer Equipment	10.50%	\$ 11,994	\$ 1,144	\$ -	\$ 1,144	\$ -
Copiers	4.00%	24,974	11,942		6,405	5,537
Postage Meter	3.00%	1,370	328		328	
Postage Meter	3.00%	2,068	-	2,068	-	2,068
			<u>\$ 13,414</u>	<u>\$ 2,068</u>	<u>\$ 7,877</u>	<u>\$ 7,605</u>

BROOKLAWN SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 103,559	\$ -	\$ 103,559	\$ 103,559	\$ -
State sources:					
Debt Service Aid Type II	41,179	-	41,179	41,179	-
Total Revenues	<u>144,738</u>	<u>-</u>	<u>144,738</u>	<u>144,738</u>	<u>-</u>
EXPENDITURES:					
Regular debt service:					
Interest	44,738	-	44,738	44,437	301
Redemption of principal	100,000	-	100,000	100,000	-
Total regular debt service	<u>144,738</u>	<u>-</u>	<u>144,738</u>	<u>144,437</u>	<u>301</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>301</u>	<u>301</u>
Other Financing Sources:					
Sale of Building	-	-	-	299,547	299,547
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,547</u>	<u>299,547</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,848</u>	<u>299,848</u>
Fund Balance - July 1, 2022					
Fund Balance - June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,848</u>	<u>\$ 299,848</u>
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,848</u>	<u>\$ 299,848</u>

Statistical Section

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

EXHIBIT J-1

	Fiscal Years Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 1,291,410	\$ 102,369	\$ 111,445	\$ 331,302	\$ 379,127	\$ 389,242	\$ 507,377	\$ 570,946	\$ 537,142	\$ 564,166
Restricted for:										
Special revenue	-	-	-	-	-	-	-	15,743	7,743	20,990
Capital projects	371,148	1,496,268	1,428,206	1,317,354	1,306,009	1,280,152	1,280,963	1,281,126	1,281,289	1,332,327
Debt service	8,510	4,574	-	-	-	-	-	-	-	-
Other purposes	520,586	456,300	442,675	647,655	374,410	276,773	232,552	43,877	220,428	687,227
Unrestricted	(416,580)	(1,466,003)	(1,462,752)	(1,635,517)	(1,588,670)	(1,545,645)	(1,385,005)	(1,072,785)	(831,793)	(688,027)
Total governmental activities net position	\$ 1,775,074	\$ 593,508	\$ 519,574	\$ 660,794	\$ 470,876	\$ 400,522	\$ 635,887	\$ 838,907	\$ 1,214,809	\$ 1,916,683
Business-type activities:										
Net investment in capital assets	\$ 10,891	\$ 8,876	\$ 6,860	\$ 4,790	\$ 4,307	\$ 3,824	\$ 3,341	\$ 9,981	\$ 13,077	\$ 11,627
Unrestricted	88,102	84,213	85,779	90,212	99,367	88,249	81,262	80,461	126,678	125,415
Total business-type activities net position	\$ 98,993	\$ 93,089	\$ 92,639	\$ 95,002	\$ 103,674	\$ 92,073	\$ 84,603	\$ 90,442	\$ 139,755	\$ 137,042
District-wide:										
Net investment in capital assets	\$ 1,302,301	\$ 111,245	\$ 118,305	\$ 336,092	\$ 383,434	\$ 393,066	\$ 510,718	\$ 580,927	\$ 550,219	\$ 575,793
Restricted:										
Special revenue	-	-	-	-	-	-	-	15,743	7,743	20,990
Capital projects	371,148	1,496,268	1,428,206	1,317,354	1,306,009	1,280,152	1,280,963	1,281,126	1,281,289	1,332,327
Debt service	8,510	4,574	-	-	-	-	-	-	-	-
Other purposes	520,586	456,300	442,675	647,655	374,410	276,773	232,552	43,877	220,428	687,227
Unrestricted	(328,478)	(1,381,790)	(1,376,973)	(1,545,305)	(1,489,303)	(1,457,396)	(1,303,743)	(992,324)	(705,115)	(562,612)
Total district net position	\$ 1,874,067	\$ 686,597	\$ 612,213	\$ 755,796	\$ 574,550	\$ 492,595	\$ 720,490	\$ 929,349	\$ 1,354,564	\$ 2,053,725

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

EXHIBIT J-2

	Fiscal Years Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 1,818,367	\$ 1,799,388	\$ 1,717,392	\$ 1,621,568	\$ 1,749,861	\$ 1,764,352	\$ 1,845,771	\$ 1,626,588	\$ 2,329,114	\$ 2,756,089
Special education	260,154	503,864	580,451	582,096	597,585	671,040	617,771	615,948	703,420	733,960
Other instruction	48,523	65,376	62,098	79,500	56,991	50,556	33,099	170,674	164,403	120,681
Support Services:										
Tuition	1,604,498	1,062,733	1,181,317	1,053,183	1,383,288	1,145,481	1,263,655	1,185,486	1,183,981	1,301,175
Student & instruction related services	469,599	631,893	610,295	613,059	617,261	622,192	537,446	669,708	888,537	936,433
School administrative services	3,534	3,788	2,443	2,250	2,790	5,424	939	900	900	900
Central Services	137,946	124,359	119,614	123,089	116,075	152,651	152,992	167,290	150,900	145,569
General administrative services	232,535	215,300	211,244	209,599	230,353	213,958	234,949	190,282	197,066	270,965
Plant operations and maintenance	450,098	441,042	490,665	318,872	402,748	374,383	201,959	272,548	246,573	214,953
Pupil transportation	177,586	155,558	151,571	139,883	105,525	145,480	182,781	110,601	144,757	176,542
Transfer to charter schools						39,809	38,437	70,427	80,060	58,417
Unallocated employee benefits	1,150,633	1,261,888	1,358,038	1,580,152	3,331,575	1,615,835	1,814,220	3,089,005	2,682,873	2,416,185
Interest on long-term debt	59,531	89,270	95,062	93,100	81,925	73,834	63,745	53,930	46,271	43,438
Unallocated depreciation	116,869	149,207	158,079	178,462	191,050	189,796	194,444	196,370	174,073	156,160
Total governmental activities expenses	<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>	<u>7,182,208</u>	<u>8,419,757</u>	<u>8,992,928</u>	<u>9,331,467</u>
Business-type activities:										
Food service	140,993	146,829	161,289	159,568	163,094	171,130	125,032	85,610	221,317	198,106
After school program	21,595	28,410	34,354	37,474	31,499	29,741	24,044	-	2,115	24,826
Total business-type activities expense	<u>162,588</u>	<u>175,239</u>	<u>195,643</u>	<u>197,042</u>	<u>194,593</u>	<u>200,871</u>	<u>149,076</u>	<u>85,610</u>	<u>223,432</u>	<u>222,932</u>
Total district expenses	<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>	<u>\$ 7,331,284</u>	<u>\$ 8,505,367</u>	<u>\$ 9,216,360</u>	<u>\$ 9,554,399</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 705,003	\$ 785,610	\$ 1,015,680	\$ 889,299	\$ 2,782,583	\$ 1,089,870	\$ 1,441,526	\$ 2,764,378	\$ 3,142,149	\$ 2,754,356
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<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>	<u>1,441,526</u>	<u>2,764,378</u>	<u>3,142,149</u>	<u>2,754,356</u>

(Continued)

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

EXHIBIT J-2

	Fiscal Years Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Charges for services:										
Food service	\$ 10,072	\$ 14,008	\$ 10,572	\$ 10,341	\$ 10,488	\$ 9,140	\$ 5,584	\$ -	\$ 250	\$ 14,420
After school program	27,002	26,010	39,775	41,006	33,508	26,906	16,574	-	-	20,468
Operating grants and contributions	95,600	95,843	119,846	128,058	134,269	125,224	98,603	71,449	272,495	185,331
Total business type activities program revenues	<u>132,674</u>	<u>135,861</u>	<u>170,193</u>	<u>179,405</u>	<u>178,265</u>	<u>161,270</u>	<u>120,761</u>	<u>71,449</u>	<u>272,745</u>	<u>220,219</u>
Total district program revenues	<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>	<u>\$ 1,562,287</u>	<u>\$ 2,835,827</u>	<u>\$ 3,414,894</u>	<u>\$ 2,974,575</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (5,824,870)	\$ (5,718,056)	\$ (5,722,589)	\$ (5,705,514)	\$ (6,084,444)	\$ (5,974,921)	\$ (5,740,682)	\$ (5,655,379)	\$ (5,850,779)	\$ (6,577,111)
Business-type activities	(29,914)	(39,378)	(25,450)	(17,637)	(16,328)	(39,601)	(28,315)	(14,161)	49,313	(2,713)
Total district-wide net expense	<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>	<u>\$ (5,768,997)</u>	<u>\$ (5,669,540)</u>	<u>\$ (5,801,466)</u>	<u>\$ (6,579,824)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,017,497	\$ 1,017,497	\$ 1,037,846	\$ 1,058,603	\$ 1,079,775	\$ 1,121,371	\$ 1,143,798	\$ 1,242,730	\$ 1,267,585	\$ 1,424,615
Taxes levied for debt service	214,105	215,826	213,149	274,179	268,348	269,998	271,351	271,111	105,133	103,559
Unrestricted grants and contributions	4,678,067	4,334,437	4,382,661	4,472,326	4,532,806	4,486,115	4,570,237	4,310,334	4,818,651	5,402,603
Investment earnings	-	-	-	-	-	-	-	42	214	1,453
Miscellaneous income	76,793	31,105	39,999	61,626	38,597	55,083	11,506	23,570	35,098	346,755
Transfers	(32,729)	(33,474)	(25,000)	(20,000)	(25,000)	(28,000)	(20,845)	(20,000)	-	-
Total governmental activities	<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>	<u>5,976,047</u>	<u>5,827,787</u>	<u>6,226,681</u>	<u>7,278,985</u>
Business-type activities:										
Transfers	32,729	33,474	25,000	20,000	25,000	28,000	20,845	20,000	-	-
Total business-type activities	<u>32,729</u>	<u>33,474</u>	<u>25,000</u>	<u>20,000</u>	<u>25,000</u>	<u>28,000</u>	<u>20,845</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
Total district-wide	<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>	<u>\$ 5,996,892</u>	<u>\$ 5,847,787</u>	<u>\$ 6,226,681</u>	<u>\$ 7,278,985</u>
Change in Net Position:										
Governmental activities	\$ 128,863	\$ (152,665)	\$ (73,934)	\$ 141,220	\$ (189,918)	\$ (70,354)	\$ 235,365	\$ 172,408	\$ 375,902	\$ 701,874
Business-type activities	2,815	(5,904)	(450)	2,363	8,672	(11,601)	(7,470)	5,839	49,313	(2,713)
Total district-wide	<u>\$ 131,678</u>	<u>\$ (158,569)</u>	<u>\$ (74,384)</u>	<u>\$ 143,583</u>	<u>\$ (181,246)</u>	<u>\$ (81,955)</u>	<u>\$ 227,895</u>	<u>\$ 178,247</u>	<u>\$ 425,215</u>	<u>\$ 699,161</u>

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

EXHIBIT J-3

	Fiscal Years Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Restricted for:										
Capital reserve	\$ 318,001	\$ 317,601	\$ 161,978	\$ 187,407	\$ 188,062	\$ 162,205	\$ 163,016	\$ 163,179	\$ 163,342	\$ 214,380
Maintenance reserve	125,000	125,000	125,000	125,000	125,000	65,325	50,452	25,477	202,002	202,745
Unemployment Compensation	-	-	-	-	-	-	-	18,400	18,426	18,536
Future tuition payments	-	-	-	-	-	-	-	-	-	-
Excess surplus	192,912	63,388	184,287	103,673	87,718	-	-	-	-	184,634
Excess surplus - designated for subsequent year's budget	117,674	192,912	63,388	184,287	103,673	87,718	-	-	-	-
Assigned to:										
Year-end Encumbrances	-	-	-	216,178	-	-	3,909	-	-	-
Designated for subsequent year's budget	85,000	75,000	70,000	17,667	62,517	130,000	185,709	199,784	-	302,650
Unassigned	(199,235)	(170,936)	(160,017)	(188,614)	(193,434)	(267,856)	(192,907)	(208,669)	109,014	(187,316)
Total general fund	<u>\$ 639,352</u>	<u>\$ 602,965</u>	<u>\$ 444,636</u>	<u>\$ 645,598</u>	<u>\$ 373,536</u>	<u>\$ 177,392</u>	<u>\$ 210,179</u>	<u>\$ 198,171</u>	<u>\$ 492,784</u>	<u>\$ 735,629</u>
All Other Governmental Funds										
Reserved:										
Capital projects fund	\$ 53,147	\$ 1,178,667	\$ 1,266,228	\$ 1,129,947	\$ 1,117,947	\$ 1,117,947	\$ 1,117,947	\$ 1,117,947	\$ 1,117,947	\$ 1,117,947
Unreserved, reported in:										
Special revenue fund	-	-	-	-	(5,348)	(6,270)	(7,518)	8,460	392	(4,657)
Debt service fund	8,510	4,574	-	850	850	-	-	-	-	299,848
Total all other governmental funds	<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>	<u>\$ 1,110,429</u>	<u>\$ 1,126,407</u>	<u>\$ 1,118,339</u>	<u>\$ 1,413,138</u>

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

EXHIBIT J-4

	Fiscal Years Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 1,231,602	\$ 1,233,323	\$ 1,250,995	\$ 1,332,782	\$ 1,348,123	\$ 1,391,369	\$ 1,415,149	\$ 1,513,841	\$ 1,372,718	\$ 1,528,174
Interest earnings	-	-	812	4,602	655	1,125	938	230	188	1,343
Miscellaneous	76,793	31,105	39,187	57,024	37,942	53,958	10,568	23,382	35,124	346,865
Local sources								6,588	4,796	1,522
State sources	5,103,251	4,823,658	5,117,297	5,143,312	5,306,276	5,288,073	5,399,805	5,333,359	6,092,836	6,433,021
Federal sources	279,819	296,389	281,044	218,313	305,381	287,912	316,177	254,819	1,002,019	1,291,021
Total revenue	6,691,465	6,384,475	6,689,335	6,756,033	6,998,377	7,022,437	7,142,637	7,132,219	8,507,681	9,601,946
Expenditures										
Instruction										
Regular Instruction	1,776,161	1,791,645	1,713,036	1,617,211	1,766,037	1,810,432	1,842,075	1,627,509	2,272,015	2,735,494
Special education instruction	260,154	503,864	580,451	582,096	597,585	671,040	617,771	615,948	703,420	733,960
Other instruction	48,523	65,376	62,098	79,500	56,991	50,556	33,099	170,674	164,403	120,681
Support Services:										
Tuition	1,604,498	1,062,733	1,181,317	1,053,183	1,383,288	1,145,481	1,263,655	1,185,486	1,183,981	1,301,175
Student & instruction related services	469,599	631,893	610,295	613,059	617,261	622,192	537,446	669,708	888,537	936,433
School administrative services	3,534	3,788	2,443	2,250	2,790	5,424	939	900	900	900
General administrative services	232,535	215,300	209,239	207,594	230,353	213,290	234,949	190,282	195,950	269,627
Central Services	135,529	122,148	119,614	123,089	114,070	152,651	152,992	167,290	150,342	144,900
Plant operations and maintenance	311,089	328,413	313,175	292,100	363,976	295,718	247,766	257,832	249,164	291,267
Pupil transportation	177,586	155,558	151,571	139,883	105,525	145,480	182,781	110,601	144,757	176,542
Unallocated employee benefits	1,150,633	1,247,712	1,319,361	1,435,984	1,656,085	1,679,960	1,604,603	1,739,131	2,000,702	2,123,697
Capital outlay	166,012	902,212	236,006	211,453	64,008	53,429	26,772	26,772	39,967	26,772
Transfer to charter schools	-	-	-	-	-	39,809	38,437	70,427	80,060	58,417
Debt service:										
Principal	150,000	168,000	115,000	220,000	220,000	230,000	240,000	249,000	100,000	100,000
Interest and other charges	59,531	52,162	126,071	93,100	84,818	76,891	66,968	57,301	46,938	44,437
Total expenditures	6,545,384	7,250,804	6,739,677	6,670,502	7,262,787	7,192,353	7,090,253	7,138,861	8,221,136	9,064,302
Excess (Deficiency) of revenues over (under) expenditures	146,081	(866,329)	(50,342)	85,531	(264,410)	(169,916)	52,384	(6,642)	286,545	537,644
Other Financing sources (uses)										
Proceeds from borrowing	-	1,985,000	-	-	-	-	-	-	-	-
Transfers in	48,127	-	63,640	-	-	-	-	-	-	-
Transfers out	(80,856)	(33,474)	(88,640)	(20,000)	(25,000)	(28,000)	(20,845)	(20,000)	-	-
Total other financing sources (uses)	(32,729)	1,951,526	(25,000)	(20,000)	(25,000)	(28,000)	(20,845)	(20,000)	-	-
Net change in fund balances	\$ 113,352	\$ 1,085,197	\$ (75,342)	\$ 65,531	\$ (289,410)	\$ (197,916)	\$ 31,539	\$ (26,642)	\$ 286,545	\$ 537,644
Debt service as a percentage of noncapital expenditures	3.28%	3.47%	3.71%	4.85%	4.23%	4.30%	4.35%	4.31%	1.80%	1.60%

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)

EXHIBIT J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Lost Books</u>	<u>Miscellaneous Sales</u>	<u>Refunds of Prior Year Expenditures</u>	<u>Prior Year Orders Adjustment</u>	<u>Donations</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2020	5,766	-	-	-	687	-	-	5,053	11,506
2021	2,735	-	-	-	14,871	-	-	5,776	23,382
2022	1,422	3,729	-	-	3,892	-	-	26,269	35,312
2023	5,193	-	-	-	40,474	-	-	1,541	47,208
	<u>\$ 46,975</u>	<u>\$ 106,444</u>	<u>\$ 172</u>	<u>\$ 15,552</u>	<u>\$ 168,375</u>	<u>\$ 12,991</u>	<u>\$ 10,600</u>	<u>\$ 59,073</u>	<u>\$ 420,182</u>

Source: District records

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

EXHIBIT J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Railroad/ Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
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
2020	1,357,600	74,889,500	33,391,900	944,700	2,707,100	113,290,800	100	113,290,900	16,575,000	1.337	118,254,834
2021	904,600	74,988,200	37,237,400	944,700	2,707,100	116,782,000	100	116,782,100	16,630,000	1.175	126,969,264
2022	904,600	75,385,200	40,474,700	944,700	2,707,100	120,416,300	100	120,416,400	16,542,000	1.270	148,625,953
2022	904,600	74,976,500	40,474,700	944,700	2,707,100	120,007,600	43,900	120,051,500	16,805,800	1.295	151,602,647

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)

EXHIBIT 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	
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
2020	1.098	0.239	1.337	1.821	0.887	4.045
2021	1.085	0.090	1.175	1.834	0.919	3.928
2022	1.184	0.086	1.270	1.834	0.969	4.073
2023	1.211	0.085	1.295	1.914	0.909	4.118

Source: Municipal Tax Collector

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

EXHIBIT J-8

<u>Taxpayer</u>	2023		<u>Taxpayer</u>	2014	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Brookwrap, LLC	\$ 6,790,300	5.64%	Brookwrap II, LLC	\$ 8,400,000	5.95%
Brookwrap II, LLC	4,931,600	4.10%	Brookwrap II, LLC	3,506,400	2.48%
Loan Oak Ranch, Inc.	3,845,500	3.19%	Jay Sai Corporation	3,450,000	2.44%
Mila Hospitality	3,088,700	2.57%	Cohab Realty, LLC	2,098,300	1.49%
Cohab Reality, LLC	1,987,400	1.65%	Westbrook Lane	2,089,100	1.48%
Cohab Realty, LLC	1,987,200	1.65%	Brooklawn Realty Associates	1,763,100	1.25%
DAR & JO, LLC	1,305,300	1.08%	Levin Real Estate, LLC	1,349,000	0.95%
Turko, LLC	1,204,100	1.00%	Materials Handling Supply Co.	1,248,300	0.88%
700 Crescent Blvd	1,062,900	0.88%	Ming Kui Lau Restaurant	1,148,400	0.81%
Ambler Motel LLC	844,800	0.70%	Ambler Motel LLC	845,500	0.60%
Total	\$ 27,047,800	22.46%	Total	\$ 25,898,100	18.33%

Source: Municipal Tax Assessor

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

EXHIBIT J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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
2020	1,415,149	1,415,149	100.00%	
2021	1,513,841	1,513,841	100.00%	
2022	1,372,718	1,029,539	75.00%	343,179
2023	1,528,174	1,144,480	74.89%	383,694

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)

EXHIBIT J-10

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^b
	General Obligation Bonds	Financed Purchases/ Leases			
2014	\$ 1,057,000	\$ -	\$ 1,057,000	1.20%	554
2015	2,874,000	-	2,874,000	3.14%	1,509
2016	2,759,000	-	2,759,000	2.93%	1,448
2017	2,539,000	-	2,539,000	2.61%	1,335
2018	2,319,000	-	2,319,000	2.30%	1,220
2019	2,089,000	-	2,089,000	2.00%	1,101
2020	1,849,000	-	1,849,000	1.66%	977
2021	1,600,000	24,282	1,624,282	1.46%	900
2022	1,500,000	13,414	1,513,414	d	838
2023	1,400,000	7,605	1,407,605	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 Inome 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)

EXHIBIT J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2014	\$ 1,057,000	\$ -	\$ 1,057,000	0.75%	554
2015	2,874,000	-	2,874,000	2.05%	1,509
2016	2,759,000	-	2,759,000	1.99%	1,448
2017	2,539,000	-	2,539,000	2.27%	1,335
2018	2,319,000	-	2,319,000	2.05%	1,220
2019	2,089,000	-	2,089,000	1.85%	1,101
2020	1,849,000	-	1,849,000	1.63%	977
2021	1,600,000	-	1,600,000	1.37%	887
2022	1,500,000	-	1,500,000	1.28%	831
2023	1,400,000	-	1,400,000	1.17%	d

Sources:

- a District Records
- b Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- c Per Capita Personal Income 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, 2022**

EXHIBIT 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	\$ 3,259,583	(1)	100.000%	\$ 3,259,583
Camden County General Obligation Debt	504,879,902	(1)	0.344% (2)	1,736,787
				<hr/>
Subtotal, overlapping debt				4,996,370
Brooklawn School District Direct Debt				<hr/> 1,400,000
Total direct and overlapping debt				<hr/><hr/>\$ 6,396,370

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2022 Equalized Valuation. The source for this computation was the 2022 County Abstract of Ratables, provided by the County Board of Taxation.

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis (1)
	2020 122,463,301
	2021 143,378,760
	2022 151,200,779
	<u>\$ 417,042,840</u>
Average equalized valuation of taxable property	<u>\$ 139,014,280</u>
Debt limit (3% of average equalized valuation) (2)	4,170,428
Net bonded school debt (3)	<u>1,400,000</u>
Legal debt margin	<u>\$ 2,770,428</u>

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 4,071,363	\$ 3,785,949	\$ 3,597,417	\$ 3,489,625	\$ 3,550,462	\$ 3,631,614	\$ 3,659,735	\$ 3,628,846	\$ 3,830,773	\$ 4,170,428
Total net debt applicable to limit (3)	<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>	<u>1,849,000</u>	<u>1,600,000</u>	<u>1,500,000</u>	<u>1,400,000</u>
Legal debt margin	<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>	<u>\$ 1,810,735</u>	<u>\$ 2,028,846</u>	<u>\$ 2,330,773</u>	<u>\$ 2,770,428</u>
Total net debt applicable to the limit as a percentage of debt limit	25.96%	75.91%	76.69%	72.76%	65.32%	57.52%	50.52%	44.09%	39.16%	33.57%

Sources:

- (1) Equalized valuation basis 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**

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2014	1,908	\$ 88,136,244	\$ 46,193	9.7%
2015	1,904	91,395,808	48,002	7.7%
2016	1,905	94,091,760	49,392	7.1%
2017	1,902	97,184,592	51,096	6.7%
2018	1,901	100,802,426	53,026	6.7%
2019	1,898	104,310,284	54,958	4.7%
2020	1,893	111,365,190	58,830	12.6%
2021	1,804	111,202,168	61,642	7.6%
2022	1,806	e	e	4.8%
2023	e	e	e	e

Source:

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

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

EXHIBIT J-16

<u>Function/Program</u>	Fiscal Years Ended June 30,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	20	20	20	20	20	24.8	24.1	23.2	24.4	24.4
Special education	7	7	7	7	7	5.0	5.0	6.0	6.0	6.0
Other special education	6	6	6	6	6	11.6	10.6	8.5	8.2	8.2
Other instruction	3	3	3	3	3					
Support Services:										
School administrative services	2	2	2	2	2	3.0	3.0	3.0	3.0	3.0
General and business administrative services	2	2	2	2	2	2.5	2.5	1.9	1.9	1.9
Plant operations and maintenance	2.5	2.5	2.5	2.5	2.5	3.0	4.2	4.2	4.2	4.2
Business and other support services	2	2	2	2	2	2.3	2.3	2.3	2.3	2.3
Administrative Information Technology	1	1	1	1	1					
Food Service	2	2	2	2	2	1.5	1.5	1.5	-	-
Child Care	1	1	1	1	1	1.3	1.3			
Total	<u>48.5</u>	<u>48.5</u>	<u>48.5</u>	<u>48.5</u>	<u>48.5</u>	<u>55.0</u>	<u>54.5</u>	<u>50.6</u>	<u>50.0</u>	<u>50.0</u>

Source:
 District Personnel Records

Brooklawn School District
 Operating Statistics,
 Last Ten Fiscal Years

EXHIBIT J-17

Fiscal Year	Resident Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio - Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	342	\$ 6,169,841	\$ 18,040	9.64%	27	1:13	336.5	321.0	-7.95%	95.39%
2015	334	6,128,430	18,349	1.71%	27	1:12	344.5	323.7	2.37%	93.96%
2016	320	6,262,600	19,571	6.66%	27	1:12	320.3	305.9	-7.20%	95.51%
2017	299	6,145,949	20,555	5.03%	27	1:11	311.9	299.2	-2.62%	95.93%
2018	304	6,893,961	22,678	10.33%	27	1:11	310.2	289.5	-0.54%	93.33%
2019	316	6,832,033	21,620	-4.66%	30	1:11	319.5	302.7	2.99%	94.74%
2020	346	6,756,513	19,527	-9.68%	29	1:12	292.0	281.9	-0.86%	96.53%
2021	313	6,805,788	21,744	11.35%	29	1:11	283.4	262.9	-2.95%	92.77%
2022	351	8,034,231	22,890	5.27%	30	1:12	285.5	263.7	0.74%	92.36%
2023	331	8,861,448	26,772	16.96%	30	1:12	275.3	255.6	-3.57%	92.84%

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**

EXHIBIT J-18

	Fiscal Years Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
<u>Elementary</u>										
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	336	345	320	312	310	303	292	283	285	275

Number of Schools at June 30, 2023

- Elementary = 1
- Middle School = 1
- Senior High School = 0
- Other = 0

Source: District Facilities Office

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

	Fiscal Years Ended June 30,										Total
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
* School Facilities											
Alice Costello School	\$ 23,145	\$ 23,000	\$ 37,000	\$ 30,640	\$ 82,239	\$ 1,898	\$ 38,322	\$ 25,780	\$ 27,005	\$ 27,001	\$ 316,030
Total School Facilities	<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>\$ 38,322</u>	<u>\$ 25,780</u>	<u>\$ 27,005</u>	<u>\$ 27,001</u>	<u>\$ 316,030</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, 2023**

EXHIBIT J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Building and Contents (All Locations)		
Limits of Liability Per Occurrence	\$ 500,000,000	\$ 2,500
Boiler and Machinery	100,000,000	2,500
General and Automobile Liability	5,000,000	2,500
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

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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 (the "District"), in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated December 22, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’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 entity’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
December 22, 2023

INVERSO & STEWART, LLC
Certified Public Accountants

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT
 ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
 UNIFORM GUIDANCE AND STATE OF 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 Federal and State Program

Opinion on Each Major Federal and State Program

I have audited Brooklawn School District's (the "District"), in the County of Camden, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on the District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned costs.

In my opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. My responsibilities under those standards and the Circular 15-08-OMB are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. Circular 15-08-OMB, I:

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

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

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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 the Uniform Guidance and 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
December 22, 2023

BROOKLAWN SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2022			Adjustment	Carryover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2023		
						(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Health & Human Services																
Passed-through State Department of Health & Human Resources:																
<u>General Fund:</u>																
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	N/A	\$ 7,711	7/1/22 - 6/30/23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,711	\$ (7,711)	\$ -	\$ -	\$ -	\$ -
Total U.S. Department of Health & Human Services						-	-	-	-	-	7,711	(7,711)	-	-	-	-
U.S. Department of Education																
Passed-through State Department of Education:																
<u>Special Revenue Fund:</u>																
Title I																
Fiscal Year 2023	84.010	S010A220030	ESSA-0580-23	234,010	7/1/22 - 9/30/23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,921	\$ (200,597)	\$ -	\$ (142,676)	\$ -	\$ -
Fiscal Year 2022	84.010	S010A210030	ESSA-0580-22	211,327	7/1/21 - 9/30/22	(69,178)					69,178					
Title II A																
Fiscal Year 2023	84.367A	S367A220029	ESSA-0580-23	14,487	7/1/22 - 9/30/23							(14,487)		(14,487)		
Title IV																
Fiscal Year 2023	84.424	S424A220031	ESSA-0580-23	15,134	7/1/22 - 9/30/23							(12,864)		(12,864)		
Individuals With Disabilities Act (I.D.E.A.)																
Part B - Basic																
Fiscal Year 2023	84.027A	H027A220100	IDEA-0580-23	91,725	7/1/22 - 9/30/23						91,725	(91,725)		-		
Fiscal Year 2022	84.027A	H027A210100	IDEA-0580-22	86,815	7/1/21 - 9/30/22	(38,514)					38,514			-		
Part B - Preschool																
Fiscal Year 2023	84.173A	H173A220114	IDEA-0580-23	6,928	7/1/22 - 9/30/23						3,276	(6,928)		(3,652)		
CARES Act																
Coronavirus Response and Relief Supplemental Act:	84.425D	S425D200027	N/A	136,755	3/13/20-9/30/22	(2,011)		2,011						-		
CRRSA - ESSER II																
CRRSA - Learning Accection	84.425D	S425D210027	N/A	34,042	3/13/20 - 9/30/23	(32,276)					35,779	(31,019)		(27,516)		
CRRSA - Mental Health	84.425D	S425D210027	N/A	45,000	3/13/20 - 9/30/23	(28,928)					23,717	(25,531)		(1,814)		
American Rescue Plan																
ARP - ESSER III	84.425U	S425U210027	N/A	1,192,146	3/13/20 - 9/30/24	(78,940)					808,906	(874,631)		(144,665)		
ARP - Accelerated Learning	84.425U	S425U210027	N/A	50,000	3/13/20 - 9/30/24						1,810	(9,456)		(7,646)		
Total U.S. Department of Education						(249,847)	-	-	2,011	-	1,135,327	(1,283,310)	-	(395,819)	-	-
U.S. Department of Agriculture																
Passed-through State Department of Agriculture:																
<u>Enterprise Fund:</u>																
Food Distribution Program	10.555	231NJ304N1199	N/A	19,352	10/1/22 - 9/30/23						19,352	(19,352)				
School Breakfast Program:																
Fiscal Year 2023	10.553	231NJ304N1199	N/A	33,787	10/1/22 - 9/30/23						31,637	(33,787)		(2,150)		
Fiscal Year 2022	10.553	221NJ304N1099	N/A	82,788	10/1/21 - 9/30/22	(5,366)					5,366					
National School Lunch Program																
Fiscal Year 2023	10.555	231NJ304N1199	N/A	98,457	10/1/22 - 9/30/23						93,447	(98,457)		(5,010)		
Fiscal Year 2022	10.555	221NJ304N1099	N/A	164,713	10/1/21 - 9/30/22	(9,276)					9,276					
Summer Food Service Program - Food	10.559	221NJ304N1099	N/A	261	10/1/21 - 9/30/22						261	(261)				
Summer Food Service Program - Admin.	10.559	221NJ304N1099	N/A	25	10/1/21 - 9/30/22						25	(25)				
Supply Chain Assistance - 1st Round	10.555	221NJ344N8903	N/A	10,380	1/1/22 - 9/30/23						10,380	(10,380)				
Supply Chain Assistance - 2nd Round	10.555	221NJ344N8903	N/A	9,875	1/1/22 - 9/30/23						9,875	(9,875)				
Supply Chain Assistance - 3rd Round	10.555	231NJ344N8903	N/A	7,199	10/1/22 - 9/30/24						7,199	(7,199)				
Total U.S. Department of Agriculture						(14,642)	-	-	-	-	186,818	(179,336)	-	(7,160)	-	-
Total Federal Awards						\$ (264,489)	\$ -	\$ -	\$ 2,011	\$ -	\$ 1,329,856	\$ (1,470,357)	\$ -	\$ (402,979)	\$ -	\$ -

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, 2023

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2022			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Balance, June 30, 2023		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education													
General Fund:													
Equalization Aid	23-495-034-5120-078	\$ 4,195,519	7/1/22-6/30/23	\$ -	\$ -	\$ -	\$ -	\$ 3,781,653	\$ (4,195,519)	\$ -	\$ (413,866)	\$ -	\$ -
Equalization Aid	22-495-034-5120-078	3,644,111	7/1/21-6/30/22	(358,918)				358,918					
Special Education Categorical Aid	23-495-034-5120-089	271,023	7/1/22-6/30/23					244,288	(271,023)		(26,735)		
Special Education Categorical Aid	22-495-034-5120-089	271,023	7/1/21-6/30/22	(26,694)				26,694					
Security Aid	23-495-034-5120-084	110,945	7/1/22-6/30/23					100,001	(110,945)		(10,944)		
Security Aid	22-495-034-5120-084	110,945	7/1/21-6/30/22	(10,927)				10,927					
Transportation Aid	23-495-034-5120-014	17,795	7/1/22-6/30/23					16,040	(17,795)		(1,755)		
Transportation Aid	22-495-034-5120-014	17,795	7/1/21-6/30/22	(1,753)				1,753					
School Choice Aid	23-495-034-5120-068	392,767	7/1/22-6/30/23					354,023	(392,767)		(38,744)		
School Choice Aid	22-495-034-5120-068	121,805	7/1/21-6/30/22	(37,928)				37,928					
Adjustment Aid	23-495-034-5120-085	75,296	7/1/22-6/30/23					67,868	(75,296)		(7,428)		
Adjustment Aid	22-495-034-5120-085	75,296	7/1/21-6/30/22	(7,416)				7,416					
Extraordinary Aid	23-495-034-5120-044	45,675	7/1/22-6/30/23						(61,532)		(61,532)		
Extraordinary Aid	22-495-034-5120-044	44,569	7/1/21-6/30/22	(45,675)				45,675					
Nonpublic Transportation Aid	23-495-034-5120-014	624	7/1/22-6/30/23						(624)		(624)		
Lead Testing for Schools Aid	23-495-034-5120-104	770	7/1/22-6/30/23					770	(770)		-		
Maintenance of Equity Aid	22-495-034-5120-128	257,127	7/1/21-6/30/22	(257,127)				257,127			-		
On-behalf TPAF Pension Contributions	23-495-034-5094-002	825,918	7/1/22-6/30/23					825,918	(825,918)		-		
On-behalf TPAF Post Retirement Medical	23-495-034-5094-001	216,966	7/1/22-6/30/23					216,966	(216,966)		-		
On-behalf TPAF Pension - LTDI	23-495-034-5094-004	359	7/1/22-6/30/23					359	(359)		-		
Reimbursed TPAF Social Security Contr.	23-495-034-5094-003	177,166	7/1/22-6/30/23					176,771	(196,468)		(19,697)		
Reimbursed TPAF Social Security Contr.	22-495-034-5094-003	165,635	7/1/21-6/30/22	(18,436)				18,436			(19,697)		
Total General Fund				(764,874)	-	-	-	6,549,531	(6,365,982)	-	(581,325)	-	-
Special Revenue Fund:													
Preschool Education Aid	23-495-034-5120-086	71,112	7/1/22-6/30/23					64,001	(71,112)		(7,111)		
Preschool Education Aid	22-495-034-5120-086	72,832	7/1/21-6/30/22	(7,351)				7,351					
SDA Emergent Needs/Capital	EG-0147-D02		7/1/22-6/30/23					6,355	(6,355)		-		
SDA Emergent Needs/Capital	EG-0147-D02	6,984	7/1/21-6/30/22		3,989				(3,989)		-		
Total Special Revenue Fund				(7,351)	3,989	-	-	77,707	(81,456)	-	(7,111)	-	-
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	23-495-034-5120-017	41,179	7/1/22-6/30/23					41,179	(41,179)				
Total State Department of Education				(1,014,338)	3,989	-	-	6,668,417	(6,488,617)	-	(830,549)	-	-
State Department of Agriculture													
Enterprise Fund:													
Summer Food Service Program - Supplement	23-100-010-3350-023	27	7/1/22- 6/30/23					27	(27)				
State School Breakfast Program													
Fiscal Year 2023	23-100-010-3350-023	2,275	7/1/22- 6/30/23					2,135	(2,275)		(140)		
State School Lunch Program													
Fiscal Year 2023	23-100-010-3350-023	3,693	7/1/22- 6/30/23					3,501	(3,693)		(192)		
Fiscal Year 2022	22-100-010-3350-023	3,874	7/1/21- 6/30/22	(213)				213					
Total State Department of Agriculture				(213)	-	-	-	5,876	(5,995)	-	(332)	-	-
Total State Financial Assistance				\$(1,014,551)	\$ 3,989	\$ -	\$ -	\$ 6,674,293	\$ (6,494,612)	\$ -	\$ (830,881)	\$ -	\$ -
Less: State Financial Expenditures Not Subject to Major Program Determination													
On-behalf TPAF Pension Contributions	23-495-034-5094-002	825,918	7/1/22-6/30/23						\$ 825,918				
On-behalf TPAF Post Retirement Medical	23-495-034-5094-001	216,966	7/1/22-6/30/23						216,966				
On-behalf TPAF Pension - LTDI	23-495-034-5094-004	359	7/1/22-6/30/23						359				
Total State Financial Expenditures Subject to Major Program Determination									\$ (5,451,369)				

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

Brooklawn School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

I. 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*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$55,836) for the general fund and \$240 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	\$ 7,711	\$ 6,310,146	\$ 6,317,857
Special Revenue	1,283,310	81,696	1,365,006
Debt Service		41,179	41,179
Food Service	<u>179,336</u>	<u>5,995</u>	<u>185,331</u>
Total	<u>\$ 1,470,357</u>	<u>\$ 6,439,016</u>	<u>\$ 7,909,373</u>

**Brooklawn School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023
(Continued)**

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, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

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	\$ <u>2,011</u>	\$ <u>-</u>

**BROOKLAWN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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? yes X no

Federal Awards

Internal Control over major programs:

Material weaknesses identified? yes X no

Significant deficiencies identified? 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 2 CFR 200 section .516 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? yes X no

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA - ESSER II</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA - Learning Acceleration</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA - Mental Health</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - ESSER III</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Accelerated Learning</u>

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

Auditee qualified as low-risk auditee? X yes no

**BROOKLAWN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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? yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

State Aid Public Cluster:

23-495-034-5120-078

Equalization Aid

23-495-034-5120-089

Special Education Categorical Aid

23-495-034-5120-084

Security Aid

23-495-034-5120-085

Adjustment Aid

23-495-034-5120-068

School Choice Aid

**BROOKLAWN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.

No findings identified.

**BROOKLAWN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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:

No findings identified.

STATE AWARDS:

No findings identified.

**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

There were no prior year audit findings.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.