

**SCHOOL DISTRICT
OF
BROOKLAWN**

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024**

Annual Comprehensive Financial Report

of the

Brooklawn Board of Education

Brooklawn, New Jersey

For the Fiscal Year Ended June 30, 2024

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

BROOKLAWN SCHOOL DISTRICT

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Introductory Section

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

Samuel Rosetti
Superintendent of Schools
(856) 456-4039

November 27, 2024

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, 2024, 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 2023-2024 school year, with an average daily enrollment of 264 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
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
2021-2022	285.5
2022-2023	275.3
2023-2024	264.2

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.

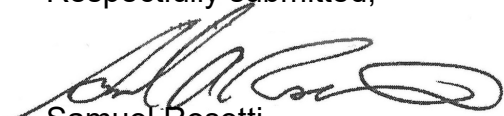
8. OTHER INFORMATION:

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, LLC, 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,

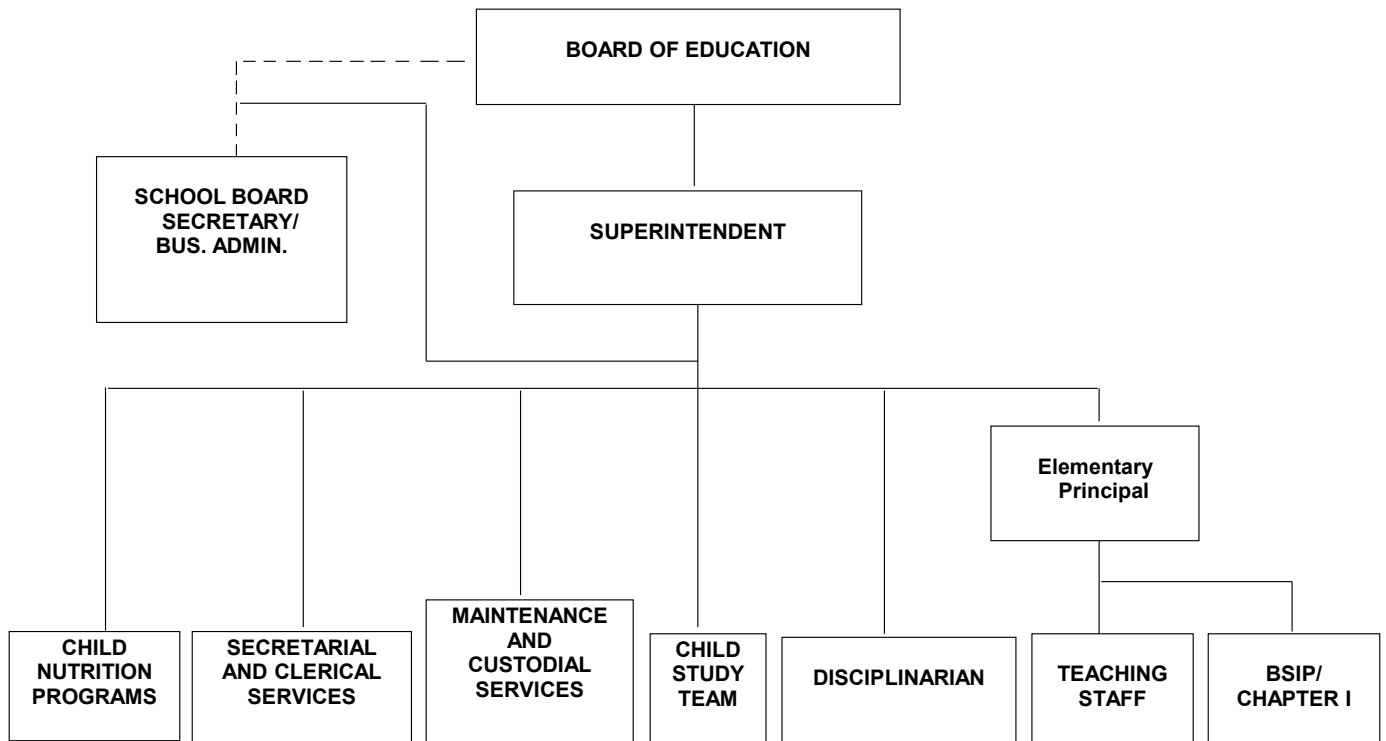


Samuel Rosetti
Superintendent



Samuel Dutkin
Board Secretary

BROOKLAWN PUBLIC SCHOOL DISTRICT
Organizational Chart
2/95



BROOKLAWN SCHOOL DISTRICT

Roster of Officials

June 30, 2024

Members of the Board of Education:

Term Expires

Michele Cecilio, President	2026
Kyrstlin MacAdams, Vice President	2024
Hailey Guldin	2024
Brynn Kairis	2026
Iwona Kuczek	2025
Kathleen Maass	2025
Christina Stewart	2024

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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-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, 2024, 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, 2024, 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.

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 November 27, 2024, 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
November 27, 2024

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, 2024**

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, 2024. 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 \$2,126,184 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$2,002,625. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, the June state aid payments, and state statutes that prohibit a school district 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 \$72,459, or a 3.53% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the repayment of long-term debt.
- Fund balance of the School District's governmental funds decreased by \$1,195,529 resulting in an ending fund balance of \$953,238.
- Business-type activities have an unrestricted net position of \$113,382 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 \$1,342,548 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 2025. 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 2025.

The assets of the primary government activities exceeded liabilities by \$2,002,625 with an unrestricted deficit balance of \$788,599. The net position of the primary government does not include internal balances. As mentioned earlier, the deficit unrestricted net position is primarily due to the accounting treatment for compensated absences payable, net pension liability, accrued interest expense, the June state aid payments, and state statutes that prohibit a school district 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 \$1,792,981 in land, improvements, buildings, and equipment which provides the services to the School District’s students, represents most of the School District’s net position. Net position of \$998,243 has been restricted as follows:

Restricted for:	
Capital Projects	\$ 369,528
Future Maintenance Costs	204,333
Debt Service	-
Future Budget Appropriation	403,440
Unemployment Compensation	18,767
Student Activities	<u>2,175</u>
Total	<u>\$ 998,243</u>

Brooklawn School District
Comparative Summary of Net Position
As of June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		District-Wide	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current assets	\$ 1,019,240	\$ 2,191,473	\$ 114,546	\$ 126,474	\$ 1,133,786	\$ 2,317,947
Capital assets	1,794,380	1,971,771	10,177	11,627	1,804,557	1,983,398
Total assets	<u>2,813,620</u>	<u>4,163,244</u>	<u>124,723</u>	<u>138,101</u>	<u>2,938,343</u>	<u>4,301,345</u>
Deferred Outflows of Resources	<u>109,611</u>	<u>98,618</u>			<u>109,611</u>	<u>98,618</u>
LIABILITIES						
Current liabilities	113,194	1,500,323	1,164	1,059	114,358	1,501,382
Noncurrent liabilities	676,657	611,528			676,657	611,528
Total liabilities	<u>789,851</u>	<u>2,111,851</u>	<u>1,164</u>	<u>1,059</u>	<u>791,015</u>	<u>2,112,910</u>
Deferred Inflows of Resources	<u>130,755</u>	<u>233,328</u>			<u>130,755</u>	<u>233,328</u>
Net Position	<u>\$ 2,002,625</u>	<u>\$ 1,916,683</u>	<u>\$ 123,559</u>	<u>\$ 137,042</u>	<u>\$ 2,126,184</u>	<u>\$ 2,053,725</u>
Net Position Consists of:						
Net investment in						
Capital Assets	\$ 1,792,981	\$ 564,166	\$ 10,177	\$ 11,627	\$ 1,803,158	\$ 575,793
Restricted Assets	998,243	2,040,544			998,243	2,040,544
Unrestricted Assets	<u>(788,599)</u>	<u>(688,027)</u>	<u>113,382</u>	<u>125,415</u>	<u>(675,217)</u>	<u>(562,612)</u>
Net Position	<u>\$ 2,002,625</u>	<u>\$ 1,916,683</u>	<u>\$ 123,559</u>	<u>\$ 137,042</u>	<u>\$ 2,126,184</u>	<u>\$ 2,053,725</u>

Governmental Activities

Governmental activities increased the net position of the School District by \$85,942 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Repayment of long-term debt obligations increased the net position by \$1,400,000.
- Results of operations in the Governmental Funds decreased the net position by \$1,195,529.

Business-type Activities

- Business-type activities decreased the School District's net position by \$13,483. There was a net loss in the Food Service Program of \$3,621 and a loss in the After School Program of \$9,862.

**Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2024 and 2023**

	Governmental Activities		Business-Type Activities		District-Wide	
	2024	2023	2024	2023	2024	2023
Revenues:						
Charges for services	\$ -	\$ -	\$ 31,788	\$ 34,888	\$ 31,788	\$ 34,888
Operating grants and contributions	2,529,054	2,322,961	159,581	185,331	2,688,635	2,508,292
Property taxes	1,554,520	1,528,174			1,554,520	1,528,174
State aid - unrestricted	5,378,454	5,402,603			5,378,454	5,402,603
Other revenues	12,946	348,208	205		13,151	348,208
Total Revenues	9,474,974	9,601,946	191,574	220,219	9,666,548	9,822,165
Expenses:						
Governmental Activities:						
Instruction	3,180,462	3,610,730			3,180,462	3,610,730
Tuition	1,192,216	1,301,175			1,192,216	1,301,175
Related services	934,411	936,433			934,411	936,433
Administrative services	432,627	417,434			432,627	417,434
Operations and Maintenance	466,321	214,953			466,321	214,953
Transportation	325,291	176,542			325,291	176,542
Employee benefits	2,678,463	1,984,790			2,678,463	1,984,790
Interest on debt	7,456	43,438			7,456	43,438
Other	171,785	214,577			171,785	214,577
Business-Type Activities:						
Food Service			205,057	222,932	205,057	222,932
After School Program			-	-	-	-
Total Expenses	9,389,032	8,900,072	205,057	222,932	9,594,089	9,123,004
Increase (Decrease) in Net Position before transfers	85,942	701,874	(13,483)	(2,713)	72,459	699,161
Transfers					-	-
Change in Net Position	85,942	701,874	(13,483)	(2,713)	72,459	699,161
Net Position, July 1	1,916,683	1,214,809	137,042	139,755	2,053,725	1,354,564
Net Position, June 30	\$ 2,002,625	\$ 1,916,683	\$ 123,559	\$ 137,042	\$ 2,126,184	\$ 2,053,725

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 \$953,238, a decrease of \$1,195,529 in comparison with the prior year. The majority of the decrease can be attributed to the results of operations in the Capital Projects and Debt Service 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 - (\$194,154) and Special Revenue Fund - (\$8,007). 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 \$204,333, 2) reserved for future capital projects \$369,528, 3) excess surplus which is reserved for future budget appropriation in accordance with state statute \$403,440, 4) appropriated as a revenue source in the subsequent year's budget \$157,156, 5) reserved for unemployment compensation \$18,767, and 6) reserved for student activities \$2,175.

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 a New Jersey school district 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 \$341,156 while total fund balance (budgetary basis) was \$1,494,380. 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 \$8,030,176. Unreserved fund balance (budgetary basis) represents 4.25% of expenditures while total fund balance (budgetary basis) represents 18.61% 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, 2024, totaled \$1,804,557 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment, vehicles, leases, and subscriptions. The total decrease in the District's investment in capital assets for the current fiscal year was \$178,841, or a 9.02% decrease. This decrease is mainly attributable to depreciation expense.

Capital Asset/Leases (net of accumulated depreciation/amortization) June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		District-Wide	
	2024	2023	2024	2023	2024	2023
Land	\$ 110,000	\$ 110,000	\$ -	\$ -	\$ 110,000	\$ 110,000
Const. in Progress	-	-			-	-
Site Improvements	17,928	19,935			17,928	19,935
Building and Building Improvements	1,533,431	1,663,878			1,533,431	1,663,878
Equipment	59,408	80,939	10,177	11,627	69,585	92,566
Leases & SBITAs	73,613	97,019			73,613	97,019
Total	<u>\$ 1,794,380</u>	<u>\$ 1,971,771</u>	<u>\$ 10,177</u>	<u>\$ 11,627</u>	<u>\$ 1,804,557</u>	<u>\$ 1,983,398</u>

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, 2024, the School District had no outstanding bonded debt.

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 \$4,550,332, and the legal debt margin was \$4,550,332.

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 2024-25 fiscal year.

- The district anticipates an increase in state aid for the 2024-2025 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 review 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, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 103,870	\$ 102,472	\$ 206,342
Internal Balances	(4,696)	4,696	-
Receivables, net	346,205	4,588	350,793
Inventories		2,790	2,790
Restricted assets:			
Cash and cash equivalents	573,861		573,861
Capital assets, net	1,720,767	10,177	1,730,944
Right-to-use lease assets, net	1,263		1,263
Right-to-use subscription assets, net	72,350		72,350
Total Assets	<u>2,813,620</u>	<u>124,723</u>	<u>2,938,343</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>109,611</u>	<u>-</u>	<u>109,611</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>2,923,231</u>	<u>124,723</u>	<u>3,047,954</u>
LIABILITIES:			
Accounts payable:			
Other	66,002		66,002
Related to pensions	46,503		46,503
Unearned revenue		1,164	1,164
Noncurrent liabilities:			
Due within one year	689		689
Due beyond one year	676,657		676,657
Total Liabilities	<u>789,851</u>	<u>1,164</u>	<u>791,015</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources from pensions	<u>130,755</u>	<u>-</u>	<u>130,755</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>920,606</u>	<u>1,164</u>	<u>921,770</u>
NET POSITION:			
Net investment in capital assets	1,792,981	10,177	1,803,158
Restricted for:			
Capital projects	369,528		369,528
Maintenance	204,333		204,333
Excess surplus	403,440		403,440
Unemployment Compensation	18,767		18,767
Student Activities	2,175		2,175
Unrestricted (Deficit)	<u>(788,599)</u>	<u>113,382</u>	<u>(675,217)</u>
Total Net Position	<u>\$ 2,002,625</u>	<u>\$ 123,559</u>	<u>\$ 2,126,184</u>

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, 2024

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	\$ 2,359,505	\$ -	\$ 409,087	\$ -	\$ (1,950,418)	\$ -	\$ (1,950,418)
Special Education	703,389		96,537		(606,852)		(606,852)
Other instruction	117,568				(117,568)		(117,568)
Support Services:							
Tuition	1,192,216				(1,192,216)		(1,192,216)
Student & instruction related services	934,411		243,357		(691,054)		(691,054)
General administrative services	297,065				(297,065)		(297,065)
School administrative services	1,900				(1,900)		(1,900)
Central administrative services	133,662				(133,662)		(133,662)
Plant operations and maintenance	466,321				(466,321)		(466,321)
Pupil transportation	325,291				(325,291)		(325,291)
Unallocated employee benefits	2,678,463		1,780,073		(898,390)		(898,390)
Transfer of funds to Charter Schools	24,325				(24,325)		(24,325)
Interest on long-term debt	7,456				(7,456)		(7,456)
Unallocated depreciation and amortization	147,460				(147,460)		(147,460)
Total Governmental Activities	<u>9,389,032</u>	<u>-</u>	<u>2,529,054</u>	<u>-</u>	<u>(6,859,978)</u>	<u>-</u>	<u>(6,859,978)</u>
Business-Type Activities:							
Food service	179,358	15,951	159,581	-	-	(3,826)	(3,826)
Community education program	25,699	15,837		-	-	(9,862)	(9,862)
Total Business-Type Activities	<u>205,057</u>	<u>31,788</u>	<u>159,581</u>	<u>-</u>	<u>-</u>	<u>(13,688)</u>	<u>(13,688)</u>
Total Primary Government	<u>\$ 9,594,089</u>	<u>\$ 31,788</u>	<u>\$ 2,688,635</u>	<u>\$ -</u>	<u>(6,859,978)</u>	<u>(13,688)</u>	<u>(6,873,666)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					1,453,107		1,453,107
Taxes levied for debt service					101,413		101,413
Federal and State aid unrestricted					5,378,454		5,378,454
Investment and Interest earnings - restricted					2,323		2,323
Miscellaneous					10,623	205	10,828
Total general revenues, special items, extraordinary items and transfers					<u>6,945,920</u>	<u>205</u>	<u>6,946,125</u>
Change in Net Position					85,942	(13,483)	72,459
Net Position - July 1					<u>1,916,683</u>	<u>137,042</u>	<u>2,053,725</u>
Net Position - June 30					<u>\$ 2,002,625</u>	<u>\$ 123,559</u>	<u>\$ 2,126,184</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, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Assets:					
Cash and Cash Equivalents	\$ 675,556	\$ 2,175	\$ -	\$ -	\$ 677,731
Interfund Accounts Receivable					
General Fund		259,756	1,157		260,913
Special Revenue Fund	438,049				438,049
Capital Projects Fund	1,157				1,157
Debt Service Fund	19,969				19,969
Intergovernmental Accounts Receivables:					
Federal		214,872			214,872
State	111,364				111,364
Other, net				19,969	19,969
Total Assets	<u>\$ 1,246,095</u>	<u>\$ 476,803</u>	<u>\$ 1,157</u>	<u>\$ 19,969</u>	<u>\$ 1,744,024</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable:					
General Fund	\$ -	\$ 438,049	\$ 1,157	\$ 19,969	\$ 459,175
Special Revenue Fund	259,756				259,756
Capital Projects Fund	1,157				1,157
Enterprise Fund	4,696				4,696
Accounts Payable:					
Payroll Deductions and Withholdings Payable	6,992				6,992
Unemployment Compensation Claims Payable	12,148				12,148
Other	2,276	44,586			46,862
Total Liabilities	<u>287,025</u>	<u>482,635</u>	<u>1,157</u>	<u>19,969</u>	<u>790,786</u>
Fund Balances:					
Restricted:					
Capital Reserve	369,528				369,528
Maintenance Reserve	204,333				204,333
Excess Surplus	403,440				403,440
Unemployment	18,767				18,767
Student Activities		2,175			2,175
Assigned:					
Designated for Subsequent Year's Expenditures	157,156				157,156
Unassigned	(194,154)	(8,007)			(202,161)
Total Fund Balances	<u>959,070</u>	<u>(5,832)</u>			<u>953,238</u>
Total Liabilities and Fund Balances	<u>\$ 1,246,095</u>	<u>\$ 476,803</u>	<u>\$ 1,157</u>	<u>\$ 19,969</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 \$3,585,416.	1,720,767
Leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$2,053 and the accumulated amortization is \$790.	1,263
Subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$90,482 and the accumulated amortization is \$18,132.	72,350
Accounts payable related to the April 1, 2025 required PERS contribution that is not to be liquidated with current financial resources.	(46,503)
Accrued interest on debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	-
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	109,611
Net Pension Liability	(430,979)
Deferred Inflows of resources from Pensions	(130,755)
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	-
Leases Payable	(1,399)
Compensated Absences Payable	(244,968)
	(246,367)
Net position of governmental activities	<u>\$ 2,002,625</u>

BROOKLAWN SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local property tax levy	\$ 1,453,107	\$ -	\$ -	\$ 101,413	\$ 1,554,520
Interest earned on capital reserve	504				504
Interest earned on maintenance reserve	1,588				1,588
Other restricted miscellaneous revenue	231				231
Unrestricted miscellaneous revenue	10,623				10,623
Federal sources		692,958			692,958
State sources	6,787,564	79,172	(138,922)	40,325	6,768,139
Local sources		2,265			2,265
Total Revenues	8,253,617	774,395	(138,922)	141,738	9,030,828
EXPENDITURES:					
Current expense:					
Regular instruction	1,873,204	409,087			2,282,291
Special education instruction	606,852	96,537			703,389
Other instruction	117,568				117,568
Support services and undistributed costs:					
Tuition	1,192,216				1,192,216
Student & instruction related services	646,237	288,174			934,411
General administrative services	294,724				294,724
School administrative services	1,900				1,900
Central services	101,899				101,899
Administrative Information Technology	30,593				30,593
Plant operations and maintenance	351,556				351,556
Pupil transportation	325,291				325,291
Unallocated employee benefits	2,298,040	25,414			2,323,454
Capital outlay	120,971				120,971
Transfer to charter schools	24,325				24,325
Debt service:					
Principal				100,000	100,000
Interest and other charges				21,769	21,769
Total Expenditures	7,985,376	819,212		121,769	8,926,357
Excess (Deficiency) of Revenues over (under) Expenditures	268,241	(44,817)	(138,922)	19,969	104,471
Other Financing Sources (Uses):					
Transfers in		43,642	1,158	980,183	1,024,983
Transfers out	(44,800)		(980,183)		(1,024,983)
Early Redemption of Serial Bonds				(1,300,000)	(1,300,000)
Total Other Financing Sources (Uses)	(44,800)	43,642	(979,025)	(319,817)	(1,300,000)
Net Change in Fund Balances	223,441	(1,175)	(1,117,947)	(299,848)	(1,195,529)
Fund Balance - July 1	735,629	(4,657)	1,117,947	299,848	2,148,767
Fund Balances - June 30	\$ 959,070	\$ (5,832)	\$ -	\$ -	\$ 953,238

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, 2024

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (1,195,529)

Amounts reported for governmental activities in the statement of activities (A-2)
are different because:

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.

Depreciation expense	\$ (153,985)	
Fixed assets additions		(153,985)

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.

Amortization expense	(23,406)	
Lease Asset Additions	-	
Subscription Asset Additions	-	(23,406)

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.

1,400,000

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.

6,206

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.

-

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.

89,137

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.

14,313

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 (+)

(50,794)

Change in Net Position of Governmental Activities

\$ 85,942

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, 2024

	Business-Type Activities Enterprise Funds		
	Food Service Fund	After School Program	Total
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 40,024	\$ 62,448	\$ 102,472
Accounts receivable:			
State	340	-	340
Federal	4,248	-	4,248
Interfund receivable	4,696	-	4,696
Inventories	2,790	-	2,790
Total Current Assets	52,098	62,448	114,546
Noncurrent Assets:			
Equipment	46,748	-	46,748
Less - accumulated depreciation	(36,571)	-	(36,571)
Total Noncurrent Assets	10,177	-	10,177
Total Assets	62,275	62,448	124,723
LIABILITIES:			
Accounts payable	-	-	-
Unearned revenue	1,164	-	1,164
Total Current Liabilities	1,164	-	1,164
NET POSITION:			
Net investment in capital assets	10,177	-	10,177
Unrestricted	50,934	62,448	113,382
Total Net Position	\$ 61,111	\$ 62,448	\$ 123,559

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, 2024

	Business-Type Activities Enterprise Funds		
	Food Service Fund	After School Program	Totals
OPERATING REVENUES:			
Charges for Services:			
Daily sales reimbursable programs:			
School lunch	\$ 9,422	\$ -	\$ 9,422
Daily sales non-reimbursable programs:			
Adult and a la carte meals	6	-	6
Miscellaneous	6,523	-	6,523
Program fees	-	15,837	15,837
Total Operating Revenues	15,951	15,837	31,788
OPERATING EXPENSES:			
Salaries	76,647	25,699	102,346
Employee benefits	11,440	-	11,440
Supplies and materials	5,093	-	5,093
Depreciation	1,450	-	1,450
Management Fee	11,550	-	11,550
Other costs	8,393	-	8,393
Cost of sales - reimbursable programs	62,170	-	62,170
Cost of sales - non-reimbursable programs	2,615	-	2,615
Total Operating Expenses	179,358	25,699	205,057
Operating Income (Loss)	(163,407)	(9,862)	(173,269)
Non-Operating Revenues:			
State sources:			
State school lunch program	3,661	-	3,661
State school breakfast program	577	-	577
State after bell	1,284	-	1,284
NJEIE breakfast	611	-	611
NJEIE lunch	2,156	-	2,156
Summer food program	24	-	24
Federal sources:			
National school lunch program	97,211	-	97,211
National school breakfast program	27,989	-	27,989
Supply chain assistance	11,124	-	11,124
Summer food program	273	-	273
Summer P-EBT	653	-	653
Local food for schools	242	-	242
Food distribution program	13,776	-	13,776
Local sources:			
Interest earned	205	-	205
Total Non-Operating Revenues	159,786	-	159,786
Income (Loss) before Contributions and Transfers	(3,621)	(9,862)	(13,483)
Operating transfer In	-	-	-
Changes in Net Position	(3,621)	(9,862)	(13,483)
Net Position - July 1, 2023	64,732	72,310	137,042
Net Position - June 30, 2024	\$ 61,111	\$ 62,448	\$ 123,559

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, 2024

	Business-Type Activities		
	Enterprise Funds		
	Food Service Fund	After School Program	Total
Cash Flows from Operating Activities:			
Cash receipts from customers	\$ 16,057	\$ 15,837	\$ 31,894
Cash payments to employees for services	(75,638)	(25,699)	(101,337)
Cash payments to suppliers for goods and services	(74,830)	-	(74,830)
Net cash provided by (used for) operating activities	(134,411)	(9,862)	(144,273)
Cash Flows from Noncapital Financing Activities:			
Cash received from state sources	8,305	-	8,305
Cash received from federal sources	140,403	-	140,403
Net cash provided by noncapital financing activities	148,708	-	148,708
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	-	-	-
Cash Flows Provided by Investing Activities:			
Interest on cash equivalents	206	-	206
Net cash provided by (used for) capital and related financing/investing activities	206	-	206
Net increase (decrease) in cash and cash equivalents	14,503	(9,862)	4,641
Cash and cash equivalents - July 1, 2023	25,521	72,310	97,831
Cash and cash equivalents - June 30, 2024	<u>\$ 40,024</u>	<u>\$ 62,448</u>	<u>\$ 102,472</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)			
Operating Activities:			
Operating income (loss)	\$ (163,407)	\$ (9,862)	\$ (173,269)
Adjustments to reconcile operating income (loss) to cash provided by (used for)			
operating activities:			
Depreciation	1,450	-	1,450
Commodities	13,776	-	13,776
Change in assets and liabilities:			
(Increase) decrease in interfund accounts receivable	12,450	-	12,450
(Increase) decrease in inventories	1,215	-	1,215
Increase (decrease) in unearned revenue	105	-	105
Increase (decrease) in accounts payable	-	-	-
Net cash provided by (used for) operating activities	<u>\$ (134,411)</u>	<u>\$ (9,862)</u>	<u>\$ (144,273)</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, 2024

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, 2024 of 264 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, 2024

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, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (Continued) -

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

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, 2024

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, 2024

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, 2024 and 2023 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, 2024

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, 2024.

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, 2024

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, 2024

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, 2024.

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, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements – 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.

In December 2023, the GASB issued Statement 102, *Certain Risk Disclosures*. This statement requires government financial statements to disclose risks related to concentrations or constraints that could make a government vulnerable. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement aims to improve the financial reporting model to provide more effective information for decision making and assessing a government's accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

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 \$899,247 as of June 30, 2024, \$250,000 was insured under FDIC, and the remaining balance of \$649,247 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, 2024

3. CAPITAL RESERVE ACCOUNT (Continued)

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balance June 30, 2023		\$	214,380
Increased by:			
Interest Earned	\$	504	
Board Resolution		250,000	
Unspent Appropriations		<u>55,801</u>	<u>306,305</u>
			520,685
Decreased by:			
Transfer to Capital Projects			1,157
Appropriated in Budget			<u>150,000</u>
Balance June 30, 2024		<u>\$</u>	<u>369,528</u>

The June 30, 2024 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2024 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	Debt Service Fund	Proprietary Fund	Total
Intergovernmental					
Federal	\$ -	\$ 214,872	\$ -	\$ 4,248	\$ 219,120
State	111,364	-	-	340	111,704
Other	<u>-</u>	<u>-</u>	<u>19,969</u>	<u>-</u>	<u>19,969</u>
Total	<u>\$ 111,364</u>	<u>\$ 214,872</u>	<u>\$ 19,969</u>	<u>\$ 4,588</u>	<u>\$ 350,793</u>

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
Governmental Activities:				
Land	\$ 110,000	\$ -	\$ -	\$ 110,000
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets not being Depreciated	<u>110,000</u>	<u>-</u>	<u>-</u>	<u>110,000</u>
 Capital Assets, being Depreciated:				
Land Improvements	147,364			147,364
Building and Improvements	4,276,216			4,276,216
Equipment	<u>772,603</u>	<u>-</u>	<u>-</u>	<u>772,603</u>
Total Historical Cost	<u>5,196,183</u>	<u>-</u>	<u>-</u>	<u>5,196,183</u>
Less Accumulated Depreciation:				
Land Improvements	(127,429)	(2,007)		(129,436)
Building and Improvements	(2,612,338)	(130,447)		(2,742,785)
Equipment	<u>(691,664)</u>	<u>(21,531)</u>	<u>-</u>	<u>(713,195)</u>
Total Accumulated Depreciation	<u>(3,431,431)</u>	<u>(153,985)</u>	<u>-</u>	<u>(3,585,416)</u>
 Total Capital Assets, being depreciated, net	<u>1,764,752</u>	<u>(153,985)</u>	<u>-</u>	<u>1,610,767</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 1,874,752</u></u>	<u><u>\$ (153,985)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,720,767</u></u>
 Business-Type Activities:				
Equipment	\$ 46,749	\$ -	\$ -	\$ 46,749
Less - Accumulated Depreciation	<u>(35,122)</u>	<u>(1,450)</u>	<u>-</u>	<u>(36,572)</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ 11,627</u></u>	<u><u>\$ (1,450)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,177</u></u>

Depreciation expense in the amount of \$153,985 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 6,525
Unallocated	<u>147,460</u>
Total depreciation expense	<u><u>\$ 153,985</u></u>

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

6. LEASE AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>
Governmental Activities:				
Lease Assets, being Amortized:				
Machinery and Equipment	\$ 20,150	\$ -	\$ (18,097)	\$ 2,053
Subscription Assets, being Amortized:				
Subscription-Based IT Arrangements	95,224	-	(4,742)	90,482
Total Lease & Subscription Assets				
Being Amortized	115,374	-	(22,839)	92,535
 Governmental Activities				
Lease & Subscription Assets	115,374	-	(22,839)	92,535
 Less Accumulated Amortization for:				
Machinery and Equipment	(12,932)	(5,955)	18,097	(790)
Subscription-Based IT Arrangements	(5,423)	(17,451)	4,742	(18,132)
Total Accumulated Amortization	(18,355)	(23,406)	22,839	(18,922)
 Governmental Activities Lease &				
Subscription Assets, Net	<u>\$ 97,019</u>	<u>\$ (23,406)</u>	<u>\$ -</u>	<u>\$ 73,613</u>

Amortization expense in the amount of \$23,406 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 19,895
Administration	2,341
Central Services	1,170
	<u>\$ 23,406</u>

7. INVENTORY

Inventory in the Food Service Fund at June 30, 2024 consisted of the following:

Food	\$ 1,427
Supplies	<u>1,363</u>
	<u>\$ 2,790</u>

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

8. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2024, the following changes occurred in long-term obligations:

	<u>Balance Outstanding June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding June 30, 2024</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 194,174	\$ 84,938	\$ 34,144	\$ 244,968	\$ -
General Obligation Bonds	1,400,000	-	1,400,000	-	-
Leases Payable	7,605	-	6,206	1,399	689
Net Pension Liability	418,115	12,864	-	430,979	-
	<u>\$ 2,019,894</u>	<u>\$ 97,802</u>	<u>\$ 1,440,350</u>	<u>\$ 677,346</u>	<u>\$ 689</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, 2024, 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 April 1, 2023, the School District entered a 39-month lease as lessee for the use of a postage meter. An initial lease liability was recorded in the amount of \$2,053. As of June 30, 2024, the lease liability was \$1,399. 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, 2024, was \$1,263 with accumulated amortization of \$790.

As of June 30, 2024, 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>
Postage Meter	April 1, 2023	June 1, 2026	3.00%	\$ 1,399
Total				<u>\$ 1,399</u>

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 689	\$ 31	\$ 720
2026	710	10	720
Total	<u>\$ 1,399</u>	<u>\$ 41</u>	<u>\$ 1,440</u>

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

8. LONG-TERM OBLIGATIONS (Continued)

Subscription-Based IT Arrangements (SBITAs) Payable – For the fiscal year ended June 30, 2024, 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 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, 2024. The arrangement has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2024, was \$51,158 with accumulated amortization of \$13,463.

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, 2024. The arrangement has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2024, was \$21,192 with accumulated amortization of \$4,669.

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.

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

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

9. PENSION PLANS (Continued)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to 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 2023. 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, 2024 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, 2023, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2024 was \$830,272 and was paid by April 1, 2024. School District employee contributions to the pension plan during the fiscal year ended June 30, 2024 were \$208,145.

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

At June 30, 2024, 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, 2024, the School District recognized pension expense of \$249,826 and revenue of \$249,826 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

9. PENSION PLANS (Continued)

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

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

	06/30/23	06/30/22
Collective deferred outflows of resources	\$ 2,413,548,676	\$ 4,885,289,911
Collective deferred inflows of resources	14,741,373,312	19,563,805,393
Collective net pension liability (Non-Employer – State of New Jersey)	51,109,961,824	51,676,587,303
State's portion of the net pension liability that was associated with the School District	10,169,134	10,220,558
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.0199267130%	.0198094266%

Actuarial assumptions – The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

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, 2022 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, 2023) 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.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

9. PENSION PLANS (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 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	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<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, 2023. 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, 2023, 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:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	<u>11,991,254</u>	<u>10,169,134</u>	<u>8,634,476</u>
	<u>\$ 11,991,254</u>	<u>\$ 10,169,134</u>	<u>\$ 8,634,476</u>

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.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

9. PENSION PLANS (Continued)

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.

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, 2023, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2024 was \$41,979 and was paid by April 1, 2024. School District employee contributions to the pension plan during the fiscal year ended June 30, 2024 were \$21,002.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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:

Fiscal Year	Normal Contributions	Accrued Liability	Non Contributory Life	Long Term Disability	Chapter 19 P.L. 2009	Total Liability Paid by District
2024	\$ 7,058	\$ 31,031	\$ 1,679	\$ -	\$ 2,211	\$ 41,979
2023	5,321	28,104	1,513	-	2,184	37,122
2022	4,852	33,369	1,847	-	2,270	42,338

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, 2024, the School District reported a liability of \$430,979 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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.

For the year ended June 30, 2024, the School District recognized pension expense of (\$49,368). At June 30, 2024, the School District reported a liability of \$430,979 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	\$ 4,121	\$ 1,762
Changes of assumptions	947	26,119
Net Difference between projected and actual earnings on pension plan investments	1,985	-
Changes in proportion	56,055	102,874
District contributions subsequent to the measurement date	46,503	
Total	\$ 109,611	\$ 130,755

\$46,503 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, 2025.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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
2025	\$ (53,900)
2026	(23,013)
2027	7,902
2028	911
2029	453
Total	\$ (67,647)

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
June 30, 2023	5.08	-
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
June 30, 2023	-	5.08
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	-
June 30, 2023	5.00	-

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Additional Information

Collective balances at June 30, 2023 and 2022 are as follows:

	<u>6/30/2023</u>	<u>6/30/2022</u>
Collective deferred outflows of resources	\$ 1,080,204,730	\$ 1,660,772,008
Collective deferred inflows of resources	\$ 1,780,216,457	\$ 3,236,303,935
Collective net pension liability	\$ 14,484,374,047	\$ 15,091,376,611
School District's Proportion	.0029754724%	.0027705527%

Actuarial assumptions - The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

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, 2022 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, 2023) 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.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 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	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
Total	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2023. 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, 2023, 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:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net pension liability	\$ 561,043	\$ 430,979	\$ 320,277

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.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

9. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP) (Continued)

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
2024	\$ 7,649	\$ 7,649
2023	10,857	10,857
2022	15,763	15,763

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

The State Health Benefits 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.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Plan Membership

As of June 30, 2023, the program membership consisted of the following:

Active Plan Members	217,212
Retirees	152,383
	<hr/>
	369,595
	<hr/>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer 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. 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 2023 total OPEB liability of \$52,361,668,239 for this special funding situation.

Total Non-Employer OPEB Liability (Continued)

Actuarial assumptions and other imputes - The total OPEB liability in the June 30, 2023 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:

	TPAF/ABP	PERS	PFRS
Salary Increases	2.75 – 4.25%	2.75 – 6.55%	3.25 – 16.25%
	based on service	based on service	based on service
	years	years	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 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability was 3.65%. 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.

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, 2022	\$ 10,139,969
Changes for the Year	
Service Cost	451,535
Interest	361,393
Changes of benefit terms	-
Differences between expected and actual experience	(439,744)
Changes in assumptions	20,683
Gross Benefit Payments	(281,712)
Contributions from the Non-employer	N/A
Contributions from the Member	9,261
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ 121,416
Balance at 06/30/2023	<u>\$ 10,261,385</u>

Sensitivity of the total nonemployer OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability as of June 30, 2023, 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 (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 12,029,712	\$ 10,261,385	\$ 8,841,623

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, 2023 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	\$ 8,518,532	\$ 10,261,385	\$ 12,541,913

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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, 2024, the School District recognized \$243,688 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, 2023 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, 2023, 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	\$ 255,330	\$ (840,450)
Differences between expected and actual experience	1,497,166	(2,702,746)
Changes of assumptions	1,459,182	(2,831,775)
Total	\$ 3,211,678	\$ (6,374,971)

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:	
2025	\$ (627,862)
2026	(627,862)
2027	(545,700)
2028	(321,724)
2029	(65,853)
Thereafter	(974,292)
Total	\$ (3,163,293)

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, 2024, 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 \$869,295, \$236,590, and \$362. In addition, \$204,266 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, 2024

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>
2024	\$ -	\$ 231	\$ 6,636	\$ 8,089	\$ 30,915
2023	-	110	6,676	6,728	32,137
2022	-	26	6,155		32,079

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, 2024

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, 2024, the liability for compensated absences in the governmental activities was \$244,968.

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, 2024, 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, 2023, the Borough of Brooklawn had no tax abatements.

17. DEFICIT UNASSIGNED FUND BALANCE

The School District has a deficit unassigned fund balance of \$194,154 in the General Fund and \$8,007 in the Special Revenue Fund as of June 30, 2024, 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 deficits do not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2, any negative unassigned General or 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 \$194,154 in the General Fund and \$8,007 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, 2024

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, 2025. The following interfund balances were recorded on the various balance sheets as of June 30, 2024:

Fund	Interfunds Receivable	Interfunds Payable
General	\$ 459,175	\$ 265,609
Special Revenue	259,756	438,049
Capital Projects	1,157	1,157
Debt Service	-	19,969
Proprietary	4,696	-
	<u>\$ 724,784</u>	<u>\$ 724,784</u>

19. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2024, a deficit of \$788,599 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, 2024:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ (202,161)
Assigned	157,156
Liabilities:	
Accrued Interest Payable	-
Net Pension Differences	(498,626)
Compensated Absences	(244,968)
	<u>\$ (788,599)</u>
Unrestricted Net Position (Deficit)	

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, 2024 is \$218,806 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$184,634 of excess fund balance generated during the 2022-2023 fiscal year has been restricted and designated for utilization in the 2024-2025 budget.

Brooklawn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

20. FUND BALANCES (Continued)

General Fund (Continued):

Capital Reserve – As of June 30, 2024, the balance in the capital reserve account is \$369,528. Of this amount, \$347,849 has been appropriated for use in the 2024-2025 Budget. The remaining amount is restricted for future capital outlay expenditures for capital projects in the School District's approved Long-Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2024, the balance in the maintenance reserve account is \$204,333. Of this amount, \$55,000 has been appropriated for use in the 2024-2025 Budget. The remaining amount is 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, 2024, the balance in unemployment compensation is \$18,767. These funds are restricted for the purpose of financing unemployment claims.

Special Revenue Fund:

Student Activities - As of June 30, 2024, the balance in the student activities account is \$2,175.

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 \$157,156 of fund balance as anticipated revenue for the fiscal year ending June 30, 2025.

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, 2024, the unassigned fund balance of the general fund was a deficit of \$194,154. 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, 2024, the unassigned fund balance of the special revenue fund was a deficit of \$8,007. 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).

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, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 1,453,107	\$ -	\$ 1,453,107	\$ 1,453,107	\$ -
Interest earned on capital reserve	20		20	504	484
Interest earned on maintenance reserve	3		3	1,588	1,585
Other restricted miscellaneous revenue				231	231
Unrestricted misc. revenues	2,000	-	2,000	10,623	8,623
Total local sources	1,455,130		1,455,130	1,466,053	10,923
State sources:					
School Choice aid	377,472		377,472	377,472	
Categorical special education aid	271,023		271,023	271,023	
Equalization aid	4,569,202		4,569,202	4,569,202	
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				90,246	90,246
Nonpublic Transportation Aid				910	910
On-behalf TPAF pension contrib. (non-budgeted)				869,295	869,295
On-behalf post retirement med (non-budgeted)				236,590	236,590
On-behalf TPAF LTDI (non-budgeted)				362	362
Reimbursed TPAF social security contribution (non-budgeted)				204,266	204,266
Total state sources	5,421,733		5,421,733	6,823,402	1,401,669
TOTAL REVENUES	6,876,863		6,876,863	8,289,455	1,412,592
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	46,523	43,642	90,165	90,165	
Kindergarten	88,040	60,766	148,806	148,806	
Grades 1-5	879,025	(60,141)	818,884	814,706	4,178
Grades 6-8	710,995	(40,711)	670,284	626,811	43,473
Regular Programs - Home Instruction:					
Purchased professional-educational services	5,000		5,000		5,000
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	175,803		175,803	170,774	5,029
Purchased professional educational services	5,000		5,000		5,000
Purchased technical services	8,000	21,320	29,320		29,320
Other purchased services	21,500		21,500	9,260	12,240
General supplies	38,309		38,309	12,682	25,627
Textbooks	10,000		10,000		10,000
Other objects	3,000		3,000		3,000
Total instruction	1,991,195	24,876	2,016,071	1,873,204	142,867
Special Education Instruction:					
Multiple Disabilities:					
Salaries of teachers	67,166		67,166	67,166	
Total multiple disabilities	67,166		67,166	67,166	
Resource room/resource center:					
Salaries of teachers	506,390		506,390	490,639	15,751
Other salaries for instruction	127,144	(7,464)	119,680	48,097	71,583
General supplies	1,000		1,000	950	50
Textbooks	2,000		2,000		2,000
Total resource room/resource center	636,534	(7,464)	629,070	539,686	89,384

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, 2024

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:					
General supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Total preschool disabilities - full-time					
Total Special Education - Instruction	703,700	(7,464)	696,236	606,852	89,384
Basic Skills/Remedial - Instruction:					
Salaries of teachers	90,165	-	90,165	90,165	-
General supplies	1,000		1,000		1,000
Textbooks	2,000		2,000		2,000
Total preschool disabilities - part-time	93,165		93,165	90,165	3,000
School-Sponsored Co-curricular Act - Instruction:					
Salaries	23,943	(1,774)	22,169	7,674	14,495
Supplies and materials					
Total school-sponsored cocurr. act. - instruct.	23,943	(1,774)	22,169	7,674	14,495
School-Sponsored Athletics - Instruction:					
Salaries	24,250		24,250	13,400	10,850
Purchased services	4,000		4,000	3,325	675
Other objects	7,000		7,000	3,004	3,996
Total school-sponsored athletics - instruct.	35,250		35,250	19,729	15,521
Total Instruction	2,847,253	15,638	2,862,891	2,597,624	265,267
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	834,867	(131,467)	703,400	703,400	
Tuition to other LEAs within the state - spec	163,192		163,192	163,192	
Tuition to County Voc School District - reg.	33,068		33,068	33,068	
Tuition to CCSD & Regional Day Schools	41,130	34,881	76,011	76,011	
Tuition to priv. sch. for the disabled in state	151,145	65,400	216,545	216,545	
Tuition - state facilities					
Total undistributed expenditures - instruction	1,223,402	(31,186)	1,192,216	1,192,216	
Attendance and Social Work Services					
Purchased Professional and Technical Services		1,774	1,774		1,774
Total attendance and social work services		1,774	1,774		1,774
Health Services:					
Salaries	71,966	(33,464)	38,502	38,406	96
Purchased professional and technical services	2,000		2,000	1,000	1,000
Other purchased services	600		600		600
Supplies and materials	2,000		2,000	1,935	65
Other Objects	3,000	42,752	45,752	45,752	
Total health services	79,566	9,288	88,854	87,093	1,761
Speech, OT, PT & Related Services:					
Salaries	25,126		25,126	25,126	
Purchased professional and educational services	75,000	(71,010)	3,990	3,990	
Supplies and materials	1,000		1,000		1,000
Total speech, ot, pt, & related services	101,126	(71,010)	30,116	29,116	1,000
Extraordinary Services:					
Purchased professional and educational services	200,000	(21,000)	179,000	177,945	1,055
Supplies and materials	1,000		1,000		1,000
Total extraordinary services	201,000	(21,000)	180,000	177,945	2,055

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, 2024

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Guidance:					
Salaries of Other Professional Staff	\$ -	\$ 6,150	\$ 6,150	\$ 6,150	-
Supplies and materials	1,000	-	1,000	-	1,000
Total Guidance	1,000	6,150	7,150	6,150	1,000
Child Study Teams:					
Salaries of other professional staff	205,897	-	205,897	188,264	17,633
Salaries of secretarial and clerical assistants					
Purchased professional-educational services	2,000		2,000		2,000
Other purchased prof. and tech. services	2,000		2,000		2,000
Other purchased services	6,000	(5,000)	1,000	500	500
Miscellaneous Purchased Services other than Residential					
Supplies and materials	7,000	(6,058)	942	942	
Other objects	6,000	(6,000)			
Total other support services student - special	228,897	(17,058)	211,839	189,706	22,133
Improvement of Instructional Services:					
Salaries of supervisor of instruction	48,230	36,230	84,460	81,888	2,572
Salaries of secretarial and clerical assistants	53,283	5,215	58,498	58,498	
Other purchased services	5,000	(5,000)			
Supplies and materials	1,000	(215)	785		785
Total improvement of instructional services	107,513	36,230	143,743	140,386	3,357
Educational Media Services/School Library:					
Salaries	35,000	(35,000)			
Purchased professional and technical services	2,000	(1,012)	988		988
Other purchased services	1,000	1,012	2,012	2,012	
Supplies and materials	1,000		1,000	338	662
Total educational media services/school library	39,000	(35,000)	4,000	2,350	1,650
Improvement of Instructional Staff Training Services:					
Salaries of supervisor of instruction	42,230	(40,579)	1,651	1,651	
Purchased professional-educational services	2,000		2,000	1,200	800
Other purchased services	5,000	5,640	10,640	10,640	
Supplies and materials	2,000		2,000		2,000
Total improvement of instructional staff train. serv.	51,230	(34,939)	16,291	13,491	2,800
General Administration:					
Salaries	186,908	10,474	197,382	197,382	
Legal services	15,000	3,700	18,700	18,700	
Audit fees	25,500	200	25,700	25,700	
Architect/Engineering services	4,500	(4,500)			
Purchased technical services	2,000		2,000		2,000
Communications / telephone	25,000	(7,400)	17,600	17,600	
Board of Education other purchased services	1,000	27,948	28,948	28,948	
Miscellaneous purchased services	5,200	(5,006)	194		194
Supplies and materials	2,000		2,000	60	1,940
BOE in-house training/meeting supplies	1,000		1,000		1,000
Miscellaneous expenditures	4,000		4,000	3,859	141
Board of Education dues and fees	5,000		5,000	2,475	2,525
Total general administration	277,108	25,416	302,524	294,724	7,800
School Administration:					
Other purchased services	1,100		1,100	500	600
Supplies and materials	2,000		2,000	400	1,600
Other objects	2,000		2,000	1,000	1,000
Total school administration	5,100		5,100	1,900	3,200
Central services					
Salaries	33,362		33,362	33,362	
Purchased professional services		45,126	45,126	45,126	
Purchased technical services	71,000	(49,906)	21,094	21,094	
Misc. Purchased Services	500	(500)			
Supplies and materials	2,000	(898)	1,102	1,102	
Miscellaneous Expenditures	1,200	15	1,215	1,215	
Total central services	108,062	(6,163)	101,899	101,899	

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, 2024

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Administrative Information Technology					
Salaries	\$ -	\$ 26,268	\$ 26,268	\$ 26,268	\$ -
Purchased technical services	5,000	(675)	4,325	4,325	
Supplies and materials	10,000	(10,000)			
Other Objects					
Total administrative information technology	15,000	15,593	30,593	30,593	
Required Maintenance School Facilities:					
Salaries					
Cleaning, repair and maintenance services	40,000	(289)	39,711		39,711
General supplies	15,000		15,000	10,950	4,050
Total required maintenance school facilities	55,000	(289)	54,711	10,950	43,761
Custodial Services:					
Salaries	236,933	(89,000)	147,933	140,544	7,389
Salaries- Non-Instructional Aides	5,000	74,351	79,351	7,889	71,462
Purchased professional & technical services	4,000		4,000		4,000
Cleaning, repair and maintenance services	43,949		43,949	11,994	31,955
Other purchased property services	10,000		10,000		10,000
Insurance	59,000		59,000	50,561	8,439
General Supplies	10,000		10,000	6,307	3,693
Energy (Natural Gas)	60,000	(46,000)	14,000	13,851	149
Energy (Electricity)	60,000		60,000	52,835	7,165
Energy (Gasoline)	1,000		1,000		1,000
Other objects					
Total custodial services	489,882	(60,649)	429,233	283,981	145,252
Care and Upkeep of Grounds:					
Purchased professional & technical services	6,500		6,500	2,675	3,825
Cleaning, repair and maintenance services	2,000		2,000		2,000
General supplies	1,000		1,000		1,000
Total care and upkeep of grounds	9,500		9,500	2,675	6,825
Security					
Purchased professional & technical services	55,000		55,000	53,950	1,050
Total security	55,000		55,000	53,950	1,050
Total operation & maint. of plant services	609,382	(60,938)	548,444	351,556	196,888
Student Transportation Services:					
Management fee - ESC & CTSA Trans program	7,000	9,764	16,764	16,764	
Contr. serv. - Aid in Lieu Payments - NonPublic	11,000	3,821	14,821	14,821	
Contr. serv. - Aid in Lieu Payments - Charter Sch	5,000	(4,417)	583	583	
Contr. serv. (between home & sch) - vendor		14,022	14,022	14,022	
Contr. serv. (not between home & sch) - vendor	50,000	(36,284)	13,716	13,716	
Contr. serv. (between home & sch) - joint agree.	20,000	(20,000)			
Contr. serv. (special ed students) - vendor	20,000	(20,000)			
Contr. serv. (regular ed students) - ESC's	30,000	(30,000)			
Contr. serv. (special ed students) - ESC's	80,000	185,385	265,385	265,385	
Total student transportation services	223,000	102,291	325,291	325,291	
Unallocated Benefits - Employee Benefits:					
Social security contributions	70,000	1,082	71,082	71,082	
Other retirement contributions - PERS	45,000	(582)	44,418	41,979	2,439
Unemployment compensation	5,000		5,000		5,000
Workmen's compensation	35,000		35,000	32,599	2,401
Health benefits	709,829	59,960	769,789	769,789	
Tuition reimbursement	12,000	9,215	21,215		
Other employee benefits	62,000		62,000	49,943	12,057
Unused sick payment to terminated/retired staff	5,000		5,000	920	4,080
Total unallocated benefits - employee benefits	943,829	69,675	1,013,504	987,527	25,977

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

(CONTINUED TO NEXT PAGE)

BROOKLAWN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2024

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
On-behalf TPAF pension contr. (non-budgeted)	\$ -	\$ -	\$ -	\$ 869,295	\$ (869,295)
On-behalf TPAF post retirement med. (non-budgeted)				236,590	(236,590)
On-behalf TPAF LTDI (non-budgeted)				362	(362)
Reimbursed TPAF social security contr. (non-budgeted)				204,266	(204,266)
Total Undistributed Expenditures	4,214,215	(10,877)	4,203,338	5,242,456	(1,039,118)
Total General Current Expense	7,061,468	4,761	7,066,229	7,840,080	(773,851)
CAPITAL OUTLAY:					
Facilities Acquisition & Construction:					
Construction Services	150,000		150,000	94,199	55,801
Assessment for Debt Service on SDA Funding	26,772		26,772	26,772	
Total facilities, acquisition & construction	176,772		176,772	120,971	55,801
Total Capital Outlay	176,772		176,772	120,971	55,801
Transfer of Funds to Charter Schools	47,608	(4,761)	42,847	24,325	18,522
TOTAL EXPENDITURES	7,285,848		7,285,848	7,985,376	(699,528)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures:	(408,985)		(408,985)	304,079	713,064
Other Financing Sources:					
Operating transfers out - Capital Projects Fund				(1,158)	(1,158)
Operating transfers out - Special Revenue Fund	(43,642)		(43,642)	(43,642)	
Total Other Financing Sources	(43,642)		(43,642)	(44,800)	(1,158)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(452,627)		(452,627)	259,279	711,906
Fund Balance, July 1	1,235,101		1,235,101	1,235,101	
Fund Balance, June 30	\$ 782,474	\$ -	\$ 782,474	\$ 1,494,380	\$ 711,906
Recapitulation:					
Restricted:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures				\$ 347,849	
Capital Reserve				21,679	
Maintenance Reserve					
Designated for Subsequent Year's Expenditures				55,000	
Maintenance Reserve				149,333	
Unemployment Compensation				18,767	
Excess Surplus:					
Current Year				218,806	
Designated for Subsequent Year's Expenditures				184,634	
Assigned:					
Designated for Subsequent Year's Expenditures				157,156	
Unassigned				341,156	
				1,494,380	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				(535,310)	
Fund Balance per Government Fund (GAAP)				\$ 959,070	

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, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ 2,265	\$ 2,265
State sources	123,710	-	123,710	80,068	(43,642)
Federal sources	748,702	(55,744)	692,958	692,958	
Total Revenues	872,412	(55,744)	816,668	775,291	(41,377)
EXPENDITURES:					
Instruction:					
Salaries of teachers	142,280	(47,157)	95,123	95,123	
Other salaries for instruction	31,408	-	31,408	31,408	
Tuition	167,455	12,682	180,137	180,137	
Purchased professional technical services	181,564	(128,495)	53,069	53,069	
Other Purchased professional					
General supplies	33,476	112,411	145,887	145,887	
Total instruction	556,183	(50,559)	505,624	505,624	
Support Services:					
Salaries					
Personal services - employee benefits	29,022	(3,608)	25,414	25,414	
Purchased professional technical services	48,632	10,854	59,486	59,486	
Purchased property services	204,975	(50,000)	154,975	154,975	
Other Purchased services		58,488	58,488	58,488	
Supplies and materials		12,681	12,681	12,681	
Student Activities				2,544	(2,544)
Total support services	282,629	28,415	311,044	313,588	(2,544)
Facilities Acq. and Const. Services - instructional equipment					
Instructional equipment					
Non-instructional equipment	33,600	(33,600)			
	33,600	(33,600)			
Total Expenditures	872,412	(55,744)	816,668	819,212	(2,544)
Other Financing Sources (Uses)					
Transfer in from General Fund	-	-	-	43,642	43,642
Total Other Financing Sources (Uses)	-	-	-	43,642	43,642
Total Outflows	872,412	(55,744)	816,668	775,570	41,098
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	(279)	\$ (279)
Fund Balance, July 1				2,454	
Fund Balance, June 30				\$ 2,175	
Recapitulation:					
Restricted:					
Student Activities				\$ 2,175	
Total Fund Balance				\$ 2,175	

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, 2024

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 8,289,455	\$ 775,291
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.	499,472	7,111
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(535,310)</u>	<u>(8,007)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 8,253,617</u></u>	<u><u>\$ 774,395</u></u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 7,985,376	\$ 775,570
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.		
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u> </u>	<u>43,642</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 7,985,376</u></u>	<u><u>\$ 819,212</u></u>

Required Supplementary Information - Part III

Schedules Related to Accounting and Reporting

For Pensions and

Other Post Employment Benefits

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

	June 30, 2024	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
District's proportion of the net pension liability (asset)	0.0029754724%	0.0027705527%	0.0034213513%	0.0031052620%	0.0036074542%	0.0039132304%	0.0041279448%	0.0051101677%	0.0058046009%	0.0060747060%
District's proportionate share of the net pension liability (asset)	\$ 430,979	\$ 418,115	\$ 405,310	\$ 506,387	\$ 650,010	\$ 770,496	\$ 960,920	\$ 1,513,485	\$ 1,303,017	\$ 1,137,351
District's covered-employee payroll	280,904	247,255	183,810	213,439	238,714	227,426	255,039	290,099	292,851	317,927
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	153.43%	169.10%	220.50%	237.25%	272.30%	338.79%	376.77%	521.71%	444.94%	357.74%
Plan fiduciary net position as a percentage of the total pension liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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

	June 30, 2024	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
Contractually required contribution	\$ 46,503	\$ 39,768	\$ 37,122	\$ 42,338	\$ 36,196	\$ 37,425	\$ 41,343	\$ 41,259	\$ 47,560	\$ 52,043
Contributions in relation to the contractually required contributions	<u>(46,503)</u>	<u>(39,768)</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>
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	280,904	247,255	183,810	213,439	238,714	227,426	255,039	290,099	292,851	317,927
Contributions as a percentage of covered-employee payroll	16.55%	16.08%	20.20%	19.84%	15.16%	16.46%	16.21%	14.22%	16.24%	16.37%

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, 2024	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
District's proportion of the net pension liability (asset)	0.0199267130%	0.0198094266%	0.0201509873%	0.0192901786%	0.0198329006%	0.0209044234%	0.0196628333%	0.0193116495%	0.0186716918%	0.0192676900%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 10,169,134</u>	<u>\$ 10,220,558</u>	<u>\$ 9,687,625</u>	<u>\$ 12,702,351</u>	<u>\$ 12,171,538</u>	<u>\$ 13,298,945</u>	<u>\$ 13,257,391</u>	<u>\$ 15,191,773</u>	<u>\$ 11,801,307</u>	<u>\$ 10,297,958</u>
Total	<u>\$ 10,169,134</u>	<u>\$ 10,220,558</u>	<u>\$ 9,687,625</u>	<u>\$ 12,702,351</u>	<u>\$ 12,171,538</u>	<u>\$ 13,298,945</u>	<u>\$ 13,257,391</u>	<u>\$ 15,191,773</u>	<u>\$ 11,801,307</u>	<u>\$ 10,297,958</u>
District's covered-employee payroll	2,734,028	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
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	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	28.71%	28.71%	33.64%

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 Seven Fiscal Years

	June 30, 2024	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%	0.02%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 10,261,385	\$ 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>\$ 10,261,385</u>	<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%	0.00%
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability							
Service Cost	\$ 451,535	\$ 605,230	\$ 710,485	\$ 397,422	\$ 414,541	\$ 475,965	\$ 573,824
Interest	361,393	268,720	323,188	313,870	382,702	405,011	347,804
Changes in benefit terms			(13,261)				
Difference between expected and actual experiences	(439,744)	(214,776)	(2,749,921)	2,628,885	(1,579,586)	(888,558)	
Changes of assumptions	20,683	(2,720,138)	12,291	2,634,423	129,583	(1,101,948)	(1,468,309)
Member Contributions	9,261	8,539	8,262	7,610	7,908	8,874	9,348
Benefit payments	<u>(281,712)</u>	<u>(266,175)</u>	<u>(254,582)</u>	<u>(251,077)</u>	<u>(266,787)</u>	<u>(256,770)</u>	<u>(253,858)</u>
Net Change in total OPEB Liability	\$ 121,416	\$ (2,318,600)	\$ (1,963,538)	\$ 5,731,133	\$ (911,639)	\$ (1,357,426)	\$ (791,191)
Total OPEB Liability - beginning	<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>	<u>\$ 11,751,230</u>
Total OPEB Liability - ending	<u>\$ 10,261,385</u>	<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	3,014,932	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	340.35%	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, 2024

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 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.

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, 2024

	IDEA Basic	IDEA Preschool	ARP ESSER III	ARP Accelerated Learning	ARP Summer Learning	ARP Beyond the School Day	ARP Mental Health	E-1a Total	Total
REVENUES:									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,265	\$ 2,265
State sources	-	-	-	-	-	-	-	80,068	80,068
Federal sources	96,537	3,632	238,575	40,544	40,000	40,000	45,000	188,670	692,958
Total Revenues	96,537	3,632	238,575	40,544	40,000	40,000	45,000	271,003	775,291
EXPENDITURES:									
Instruction:									
Salaries of teachers						27,157		67,966	95,123
Other salaries for instruction								31,408	31,408
Tuition	96,537		83,600					-	180,137
Purchased professional - technical services				40,544				12,525	53,069
Other Purchased services								-	-
Supplies and Materials					40,000			105,887	145,887
Total Instruction	96,537		83,600	40,544	40,000	27,157	-	217,786	505,624
Support Services:									
Salaries									-
Personal services-employee benefits						2,078		23,336	25,414
Purchased professional - technical services		3,632					45,000	10,854	59,486
Purchased property services			154,975					-	154,975
Other Purchased professional								58,488	58,488
Supplies and Materials						10,765		1,916	12,681
Student Activities								2,544	2,544
Total Support Services		3,632	154,975			12,843	45,000	97,138	313,588
Facilities acq. and constr. services:									
Non-Instructional equipment								-	
Total facilities acq and const services			-	-	-	-	-		
Total Expenditures	96,537	3,632	238,575	40,544	40,000	40,000	45,000	314,924	819,212
Other financing sources (uses)									
Transfer from General Fund								43,642	43,642
Total other financing sources (uses)								43,642	43,642
Total outflows								271,282	775,570
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	-	(279)	(279)
Fund Balance, July 1	-	-	-	-	-	-	-	2,454	2,454
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,175	\$ 2,175

BROOKLAWN SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year ended June 30, 2024

	Preschool Education Program	CRRSA ESSER II	Title I	Title II A	Title IV	Student Activities	Total
REVENUES:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,265	\$ 2,265
State sources	80,068	-	-	-	-	-	80,068
Federal sources		2,011	161,364	12,525	12,770	-	188,670
Total Revenues	80,068	2,011	161,364	12,525	12,770	2,265	271,003
EXPENDITURES:							
Instruction:							
Salaries of teachers	67,966						67,966
Other salaries for instruction	31,408						31,408
Tuition							-
Purchased professional - technical services				12,525			12,525
Other Purchased services							-
Supplies and Materials	1,000	2,011	102,876				105,887
Total Instruction	100,374	2,011	102,876	12,525	-		217,786
Support Services:							
Personal services-employee benefits	23,336						23,336
Purchased professional - technical services					10,854		10,854
Other Purchased professional services			58,488				58,488
Supplies and Materials					1,916		1,916
Student Activities						2,544	2,544
Total Support Services	23,336	-	58,488	-	12,770	2,544	97,138
Facilities acq. and constr. services:							
Non-Instructional equipment							
Total facilities acq and const services							
Total Expenditures	123,710	2,011	161,364	12,525	12,770	2,544	314,924
Other financing sources (uses)							
Transfer from General Fund	43,642						43,642
Total other financing sources (uses)	43,642						43,642
Total outflows	80,068						80,068
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	(279)	(279)
Fund Balance, July 1	-	-	-	-	-	2,454	2,454
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,175	\$ 2,175

BROOKLAWN SCHOOL DISTRICT
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2024

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	\$ 67,966	\$ -	\$ 67,966	\$ 67,966	\$ -
Other salaries for instruction	31,408	-	31,408	31,408	-
General Supplies	1,000	-	1,000	1,000	-
Total instruction	<u>100,374</u>	<u>-</u>	<u>100,374</u>	<u>100,374</u>	<u>-</u>
Support Services:					
Personal services - Employee benefits	23,336	-	23,336	23,336	-
Total support services	<u>23,336</u>	<u>-</u>	<u>23,336</u>	<u>23,336</u>	<u>-</u>
Total Expenditures	<u>\$ 123,710</u>	<u>\$ -</u>	<u>\$ 123,710</u>	<u>\$ 123,710</u>	<u>\$ -</u>

SUMMARY OF LOCATION TOTALS

Total 2023-24 Preschool Education Aid allocation	\$ 80,068
Add: Actual Preschool Education Aid Carryover (June 30, 2023)	-
Add: Budgeted transfer from the General Fund 2023-24	43,642
Total Preschool Education Aid Funds available for 2023-24 budget	<u>123,710</u>
Less: 2022-23 Budgeted Preschool Education Aid (including prior year budgeted carryover)	<u>(123,710)</u>
Available & unbudgeted Preschool Education Aid Funds as of June 30, 2024	-
Add: June 30, 2024 Unexpended Preschool Education Aid	<u>-</u>
Total Actual Carryover - Preschool Education Aid	<u>\$ -</u>
2023-24 Preschool Education Aid Carryover Budgeted in 2024-25	<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, 2024

Revenues and Other Financing Sources:

Transfer from Capital Reserve	\$ 1,158
SDA Grant	<u>(138,922)</u>
Total revenues and other financing sources	<u>(137,764)</u>

Expenditures and Other Financing (Uses):

Purchased professional and technical services	-
Construction	
Equipment	
Transfer to Debt Service Fund	(980,183)
Transfer to General Fund Fund	
Total expenditures and other financing (uses)	<u>(980,183)</u>

Excess (deficiency) or revenues over (under) expenditures (1,117,947)

Fund Balance - July 1, 2023 1,117,947

Fund Balance - June 30, 2024 \$ -

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, 2024

	<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	\$ 104,253	\$ (104,253)	\$ -	\$ -
Transfer from Capital Reserve		50,690	50,690	50,690
Transfer from capital outlay	48,127		48,127	48,127
Total revenues	<u>152,380</u>	<u>(53,563)</u>	<u>98,817</u>	<u>98,817</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services				
Equipment	98,817		98,817	98,817
Total expenditures	<u>98,817</u>	<u></u>	<u>98,817</u>	<u>98,817</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 53,563</u>	<u>\$ (53,563)</u>	<u>\$ -</u>	<u>\$ -</u>
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, 2024

	<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	\$ (34,669)	\$ 103,191	\$ 103,191
Transfer from capital outlay	63,640		63,640	63,640
Total revenues	<u>201,500</u>	<u>(34,669)</u>	<u>166,831</u>	<u>166,831</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	28,551		28,551	28,551
Construction	128,221		128,221	128,221
Transfer to Capital Reserve		10,059	10,059	10,059
Total expenditures	<u>156,772</u>	<u>10,059</u>	<u>166,831</u>	<u>166,831</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 44,728</u>	<u>\$ (44,728)</u>	<u>\$ -</u>	<u>\$ -</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, 2024

	<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>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
Transfer to Debt Service Fund		980,183	980,183	980,183
Transfer to Capital Reserve		39,473	39,473	39,473
Total expenditures	<u>965,344</u>	<u>1,019,656</u>	<u>1,985,000</u>	<u>1,985,000</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 1,019,656</u>	<u>\$ (1,019,656)</u>	<u>\$ -</u>	<u>\$ -</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, 2024

	Food Service Fund	After School Program	Total
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 40,024	\$ 62,448	\$ 102,472
Accounts receivable:			
State	340	-	340
Federal	4,248	-	4,248
Interfund receivable	4,696	-	4,696
Inventories	2,790	-	2,790
Total Current Assets	52,098	62,448	114,546
Noncurrent Assets:			
Equipment	46,748	-	46,748
Less - accumulated depreciation	(36,571)	-	(36,571)
Total Noncurrent Assets	10,177	-	10,177
Total Assets	62,275	62,448	124,723
LIABILITIES:			
Unearned revenue	1,164	-	1,164
Total Current Liabilities	1,164	-	1,164
NET POSITION:			
Net investment in capital assets	10,177	-	10,177
Unrestricted	50,934	62,448	113,382
Total Net Position	\$ 61,111	\$ 62,448	\$ 123,559

BROOKLAWN SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2024

	Food Service Fund	After School Program	Totals
OPERATING REVENUES:			
Charges for Services:			
Daily sales reimbursable programs:			
School lunch	\$ 9,422	\$ -	\$ 9,422
Daily sales non-reimbursable programs:			
Adult and a la carte meals	6	-	6
Miscellaneous	6,523	-	6,523
Program fees	-	15,837	15,837
Total Operating Revenues	15,951	15,837	31,788
OPERATING EXPENSES:			
Salaries	76,647	25,699	102,346
Employee benefits	11,440	-	11,440
Supplies and materials	5,093	-	5,093
Depreciation	1,450	-	1,450
Management fee	11,550	-	11,550
Other costs	8,393	-	8,393
Cost of sales - reimbursable programs	62,170	-	62,170
Cost of sales - non-reimbursable programs	2,615	-	2,615
Total Operating Expenses	179,358	25,699	205,057
Operating Income (Loss)	(163,407)	(9,862)	(173,269)
Non-Operating Revenues:			
State sources:			
State school lunch program	3,661	-	3,661
State school breakfast program	577	-	577
State after bell	1,284	-	1,284
NJEIE breakfast	611	-	611
NJEIE lunch	2,156	-	2,156
Summer food program - state supplement	24	-	24
Federal sources:			
National school lunch program	97,211	-	97,211
National school breakfast program	27,989	-	27,989
Supply chain assistance	11,124	-	11,124
Summer food program	273	-	273
Summer P-EBT	653	-	653
Local food for schools	242	-	242
Food distribution program	13,776	-	13,776
Local sources:			
Interest earned	205	-	205
Total Non-Operating Revenues	159,786	-	159,786
Income (Loss) before Contributions and Transfers	(3,621)	(9,862)	(13,483)
Operating Transfers In/(out)	-	-	-
Changes in Net Position	(3,621)	(9,862)	(13,483)
Net Position - July 1, 2023	64,732	72,310	137,042
Net Position - June 30, 2024	\$ 61,111	\$ 62,448	\$ 123,559

BROOKLAWN SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

	Food Service Fund	After School Program	Total
Cash Flows from Operating Activities:			
Cash receipts from customers	\$ 16,057	\$ 15,837	\$ 31,894
Cash payments to employees for services	(75,638)	(25,699)	(101,337)
Cash payments to suppliers for goods and services	(74,830)	-	(74,830)
Net cash provided by (used for) operating activities	(134,411)	(9,862)	(144,273)
Cash Flows from Noncapital Financing Activities:			
Cash received from state sources	8,305	-	8,305
Cash received from federal sources	140,403	-	140,403
Net cash provided by noncapital financing activities	148,708	-	148,708
Cash Flows from Capital and Related Financing Activities:			
Purchases of capital assets	-	-	-
Cash Flow Provided by Investing Activities:			
Interest on cash equivalents	206	-	206
Net cash provided by (used for) capital and related financing activities	206	-	206
Net increase (decrease) in cash and cash equivalents	14,503	(9,862)	4,641
Cash and cash equivalents - July 1, 2023	25,521	72,310	97,831
Cash and cash equivalents - June 30, 2024	<u>\$ 40,024</u>	<u>\$ 62,448</u>	<u>\$ 102,472</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)			
Operating Activities:			
Operating income (loss)	\$ (163,407)	\$ (9,862)	\$ (173,269)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:			
Depreciation	1,450	-	1,450
Commodities	13,776	-	13,776
Change in assets and liabilities:			
(Increase) decrease in interfund receivable	12,450	-	12,450
(Increase) decrease in inventories	1,215	-	1,215
Increase (decrease) in unearned revenue	105	-	105
Increase (decrease) in accounts payable	-	-	-
Net cash provided by (used for) operating activities	<u>\$ (134,411)</u>	<u>\$ (9,862)</u>	<u>\$ (144,273)</u>

Long-Term Debt Schedules

BROOKLAWN SCHOOL DISTRICT
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2024

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2023	Issued	Retired	Balance June 30, 2024
			Date	Amount					
2014 School Bonds	09/10/14	\$ 1,985,000	09/01/23	\$ 1,400,000	3.00%	\$ 1,400,000	\$ -	\$ 1,400,000	\$ -
						<u>\$ 1,400,000</u>	<u>\$ -</u>	<u>\$ 1,400,000</u>	<u>\$ -</u>

BROOKLAWN SCHOOL DISTRICT
Schedule of Obligations Under Leases
For the Fiscal Year Ended June 30, 2024

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2024</u>
Copiers	4.00%	\$ 24,974	\$ 5,537	\$ -	\$ 5,537	\$ -
Postage Meter	3.00%	2,068	<u>2,068</u>	<u>-</u>	<u>669</u>	<u>1,399</u>
			<u>\$ 7,605</u>	<u>\$ -</u>	<u>\$ 6,206</u>	<u>\$ 1,399</u>

BROOKLAWN SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 101,413	\$ -	\$ 101,413	\$ 101,413	\$ -
State sources:					
Debt Service Aid Type II	40,325	-	40,325	40,325	-
Total Revenues	141,738	-	141,738	141,738	-
EXPENDITURES:					
Regular debt service:					
Interest	41,738	-	41,738	21,769	19,969
Redemption of principal	100,000	-	100,000	100,000	-
Total regular debt service	141,738	-	141,738	121,769	19,969
Excess (Deficiency) of revenues over (under) expenditures	-	-	-	19,969	19,969
Other Financing Sources (Uses)					
Transfer from Capital Projects Fund				980,183	980,183
Early Redemption of Serial Bonds	-		-	(1,300,000)	(1,300,000)
Total Other Financing Sources	-	-	-	(319,817)	(319,817)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	-	-	-	(299,848)	(299,848)
Fund Balance - July 1, 2023	299,848		299,848	299,848	
Fund Balance - June 30, 2024	\$ 299,848	\$ -	\$ 299,848	\$ -	\$ (299,848)
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ (299,848)	\$ (299,848)

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	\$ 102,369	\$ 111,445	\$ 331,302	\$ 379,127	\$ 389,242	\$ 507,377	\$ 570,946	\$ 537,142	\$ 564,166	\$ 1,792,981
Restricted for:										
Special revenue	-	-	-	-	-	-	15,743	7,743	20,990	2,175
Capital projects	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	369,528
Debt service	4,574	-	-	-	-	-	-	-	-	-
Other purposes	456,300	442,675	647,655	374,410	276,773	232,552	43,877	220,428	687,227	626,540
Unrestricted	(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)	(788,599)
Total governmental activities net position	<u>\$ 593,508</u>	<u>\$ 519,574</u>	<u>\$ 660,794</u>	<u>\$ 470,876</u>	<u>\$ 400,522</u>	<u>\$ 635,887</u>	<u>\$ 838,907</u>	<u>\$ 1,214,809</u>	<u>\$ 1,916,683</u>	<u>\$ 2,002,625</u>
Business-type activities:										
Net investment in capital assets	\$ 8,876	\$ 6,860	\$ 4,790	\$ 4,307	\$ 3,824	\$ 3,341	\$ 9,981	\$ 13,077	\$ 11,627	\$ 10,177
Unrestricted	84,213	85,779	90,212	99,367	88,249	81,262	80,461	126,678	125,415	113,382
Total business-type activities net position	<u>\$ 93,089</u>	<u>\$ 92,639</u>	<u>\$ 95,002</u>	<u>\$ 103,674</u>	<u>\$ 92,073</u>	<u>\$ 84,603</u>	<u>\$ 90,442</u>	<u>\$ 139,755</u>	<u>\$ 137,042</u>	<u>\$ 123,559</u>
District-wide:										
Net investment in capital assets	\$ 111,245	\$ 118,305	\$ 336,092	\$ 383,434	\$ 393,066	\$ 510,718	\$ 580,927	\$ 550,219	\$ 575,793	\$ 1,803,158
Restricted:										
Special revenue	-	-	-	-	-	-	15,743	7,743	20,990	2,175
Capital projects	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	369,528
Debt service	4,574	-	-	-	-	-	-	-	-	-
Other purposes	456,300	442,675	647,655	374,410	276,773	232,552	43,877	220,428	687,227	626,540
Unrestricted	(1,381,790)	(1,376,973)	(1,545,305)	(1,489,303)	(1,457,396)	(1,303,743)	(992,324)	(705,115)	(562,612)	(675,217)
Total district net position	<u>\$ 686,597</u>	<u>\$ 612,213</u>	<u>\$ 755,796</u>	<u>\$ 574,550</u>	<u>\$ 492,595</u>	<u>\$ 720,490</u>	<u>\$ 929,349</u>	<u>\$ 1,354,564</u>	<u>\$ 2,053,725</u>	<u>\$ 2,126,184</u>

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

EXHIBIT J-2

	Fiscal Years Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 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	\$ 2,359,505
Special education	503,864	580,451	582,096	597,585	671,040	617,771	615,948	703,420	733,960	703,389
Other instruction	65,376	62,098	79,500	56,991	50,556	33,099	170,674	164,403	120,681	117,568
Support Services:										
Tuition	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	1,192,216
Student & instruction related services	631,893	610,295	613,059	617,261	622,192	537,446	669,708	888,537	936,433	934,411
School administrative services	3,788	2,443	2,250	2,790	5,424	939	900	900	900	1,900
Central Services	124,359	119,614	123,089	116,075	152,651	152,992	167,290	150,900	145,569	133,662
General administrative services	215,300	211,244	209,599	230,353	213,958	234,949	190,282	197,066	270,965	297,065
Plant operations and maintenance	441,042	490,665	318,872	402,748	374,383	201,959	272,548	246,573	214,953	466,321
Pupil transportation	155,558	151,571	139,883	105,525	145,480	182,781	110,601	144,757	176,542	325,291
Transfer to charter schools					39,809	38,437	70,427	80,060	58,417	24,325
Unallocated employee benefits	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	2,678,463
Interest on long-term debt	89,270	95,062	93,100	81,925	73,834	63,745	53,930	46,271	43,438	7,456
Unallocated depreciation	149,207	158,079	178,462	191,050	189,796	194,444	196,370	174,073	156,160	147,460
Total governmental activities expenses	<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>	<u>9,389,032</u>
Business-type activities:										
Food service	146,829	161,289	159,568	163,094	171,130	125,032	85,610	221,317	198,106	179,358
After school program	28,410	34,354	37,474	31,499	29,741	24,044	-	2,115	24,826	25,699
Total business-type activities expense	<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>	<u>205,057</u>
Total district expenses	<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>	<u>\$ 9,594,089</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 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	\$ 2,529,054
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<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>	<u>2,529,054</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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type activities:										
Charges for services:										
Food service	\$ 14,008	\$ 10,572	\$ 10,341	\$ 10,488	\$ 9,140	\$ 5,584	\$ -	\$ 250	\$ 14,420	\$ 15,951
After school program	26,010	39,775	41,006	33,508	26,906	16,574	-	-	20,468	15,837
Operating grants and contributions	95,843	119,846	128,058	134,269	125,224	98,603	71,449	272,495	185,331	159,581
Total business type activities program revenues	135,861	170,193	179,405	178,265	161,270	120,761	71,449	272,745	220,219	191,369
Total district program revenues	<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>	<u>\$ 2,720,423</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (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)	\$ (6,859,978)
Business-type activities	(39,378)	(25,450)	(17,637)	(16,328)	(39,601)	(28,315)	(14,161)	49,313	(2,713)	(13,688)
Total district-wide net expense	<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>	<u>\$ (6,873,666)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 1,453,107
Taxes levied for debt service	215,826	213,149	274,179	268,348	269,998	271,351	271,111	105,133	103,559	101,413
Unrestricted grants and contributions	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	5,378,454
Investment earnings	-	-	-	-	-	-	42	214	1,453	2,323
Miscellaneous income	31,105	39,999	61,626	38,597	55,083	11,506	23,570	35,098	346,755	10,623
Transfers	(33,474)	(25,000)	(20,000)	(25,000)	(28,000)	(20,845)	(20,000)	-	-	-
Total governmental activities	<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>	<u>6,945,920</u>
Business-type activities:										
Miscellaneous										205
Transfers	33,474	25,000	20,000	25,000	28,000	20,845	20,000	-	-	-
Total business-type activities	<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>	<u>205</u>
Total district-wide	<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>	<u>\$ 6,946,125</u>
Change in Net Position:										
Governmental activities	\$ (152,665)	\$ (73,934)	\$ 141,220	\$ (189,918)	\$ (70,354)	\$ 235,365	\$ 172,408	\$ 375,902	\$ 701,874	\$ 85,942
Business-type activities	(5,904)	(450)	2,363	8,672	(11,601)	(7,470)	5,839	49,313	(2,713)	(13,483)
Total district-wide	<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>	<u>\$ 72,459</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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Restricted for:										
Capital reserve	\$ 317,601	\$ 161,978	\$ 187,407	\$ 188,062	\$ 162,205	\$ 163,016	\$ 163,179	\$ 163,342	\$ 214,380	\$ 369,528
Maintenance reserve	125,000	125,000	125,000	125,000	65,325	50,452	25,477	202,002	202,745	204,333
Unemployment Compensation	-	-	-	-	-	-	18,400	18,426	18,536	18,767
Future tuition payments	-	-	-	-	-	-	-	-	-	-
Excess surplus	63,388	184,287	103,673	87,718	-	-	-	-	184,634	218,806
Excess surplus - designated for subsequent year's budget	192,912	63,388	184,287	103,673	87,718	-	-	-	-	184,634
Assigned to:										
Year-end Encumbrances	-	-	216,178	-	-	3,909	-	-	-	-
Designated for subsequent year's budget	75,000	70,000	17,667	62,517	130,000	185,709	199,784	-	302,650	157,156
Unassigned	(170,936)	(160,017)	(188,614)	(193,434)	(267,856)	(192,907)	(208,669)	109,014	(187,316)	(194,154)
Total general fund	<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>	<u>\$ 959,070</u>
All Other Governmental Funds										
Reserved:										
Capital projects fund	\$ 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)	(5,832)
Debt service fund	4,574	-	850	850	-	-	-	-	299,848	-
Total all other governmental funds	<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>	<u>\$ (5,832)</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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 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	\$ 1,554,520
Interest earnings	-	812	4,602	655	1,125	938	230	188	1,343	2,323
Miscellaneous	31,105	39,187	57,024	37,942	53,958	10,568	23,382	35,124	346,865	10,623
Local sources							6,588	4,796	1,522	2,265
State sources	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	6,768,139
Federal sources	296,389	281,044	218,313	305,381	287,912	316,177	254,819	1,002,019	1,291,021	692,958
Total revenue	<u>6,384,475</u>	<u>6,689,335</u>	<u>6,756,033</u>	<u>6,998,377</u>	<u>7,022,437</u>	<u>7,142,637</u>	<u>7,132,219</u>	<u>8,507,681</u>	<u>9,601,946</u>	<u>9,030,828</u>
Expenditures										
Instruction										
Regular Instruction	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	2,282,291
Special education instruction	503,864	580,451	582,096	597,585	671,040	617,771	615,948	703,420	733,960	703,389
Other instruction	65,376	62,098	79,500	56,991	50,556	33,099	170,674	164,403	120,681	117,568
Support Services:										
Tuition	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	1,192,216
Student & instruction related services	631,893	610,295	613,059	617,261	622,192	537,446	669,708	888,537	936,433	934,411
School administrative services	3,788	2,443	2,250	2,790	5,424	939	900	900	900	1,900
General administrative services	215,300	209,239	207,594	230,353	213,290	234,949	190,282	195,950	269,627	294,724
Central Services	122,148	119,614	123,089	114,070	152,651	152,992	167,290	150,342	144,900	132,492
Plant operations and maintenance	328,413	313,175	292,100	363,976	295,718	247,766	257,832	249,164	291,267	351,556
Pupil transportation	155,558	151,571	139,883	105,525	145,480	182,781	110,601	144,757	176,542	325,291
Unallocated employee benefits	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	2,323,454
Capital outlay	902,212	236,006	211,453	64,008	53,429	26,772	26,772	39,967	26,772	120,971
Transfer to charter schools	-	-	-	-	39,809	38,437	70,427	80,060	58,417	24,325
Debt service:										
Principal	168,000	115,000	220,000	220,000	230,000	240,000	249,000	100,000	100,000	100,000
Interest and other charges	52,162	126,071	93,100	84,818	76,891	66,968	57,301	46,938	44,437	21,769
Total expenditures	<u>7,250,804</u>	<u>6,739,677</u>	<u>6,670,502</u>	<u>7,262,787</u>	<u>7,192,353</u>	<u>7,090,253</u>	<u>7,138,861</u>	<u>8,221,136</u>	<u>9,064,302</u>	<u>8,926,357</u>
Excess (Deficiency) of revenues over (under) expenditures	(866,329)	(50,342)	85,531	(264,410)	(169,916)	52,384	(6,642)	286,545	537,644	104,471
Other Financing sources (uses)										
Proceeds from borrowing	1,985,000	-	-	-	-	-	-	-	-	-
Early redemption of serial bonds	-	-	-	-	-	-	-	-	-	(1,300,000)
Transfers in	-	63,640	-	-	-	-	-	-	-	1,024,983
Transfers out	(33,474)	(88,640)	(20,000)	(25,000)	(28,000)	(20,845)	(20,000)	-	-	(1,024,983)
Total other financing sources (uses)	<u>1,951,526</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>	<u>(1,300,000)</u>
Net change in fund balances	<u>\$ 1,085,197</u>	<u>\$ (75,342)</u>	<u>\$ 65,531</u>	<u>\$ (289,410)</u>	<u>\$ (197,916)</u>	<u>\$ 31,539</u>	<u>\$ (26,642)</u>	<u>\$ 286,545</u>	<u>\$ 537,644</u>	<u>\$ (1,195,529)</u>
Debt service as a percentage of noncapital expenditures	3.47%	3.71%	4.85%	4.23%	4.30%	4.35%	4.31%	1.80%	1.60%	1.38%

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

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Lost Books	Miscellaneous Sales	Refunds of Prior Year Expenditures	Prior Year Orders Adjustment	Donations	Miscellaneous	Total
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
2024	8,378	-	-	-	2,245	-	-	-	10,623
	<u>\$ 50,828</u>	<u>\$ 82,383</u>	<u>\$ 132</u>	<u>\$ 10,552</u>	<u>\$ 135,117</u>	<u>\$ 12,991</u>	<u>\$ 10,600</u>	<u>\$ 51,409</u>	<u>\$ 354,012</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
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
2023	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
2024	1,080,600	75,937,300	39,833,000	944,700	2,707,100	120,502,700	100	120,502,800	16,805,800	1.343	161,926,791

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	
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
2024	1.343	-	1.343	2.011	0.886	4.240

Source: Municipal Tax Collector

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

EXHIBIT J-8

	2024			2015	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Taxpayer			Taxpayer		
Brookwrap, LLC	\$ 7,649,100	6.35%	Brookwrap II, LLC	\$ 8,400,000	5.99%
Brookwrap II, LLC	4,931,600	4.09%	Brookwrap II, LLC	3,506,400	2.50%
Loan Oak Ranch, Inc.	3,845,500	3.19%	Jay Sai Corporation	3,450,000	2.46%
Mila Hospitality	3,088,700	2.56%	Cohab Realty, LLC	2,098,300	1.50%
Brooklawn Court Apt, LLC	2,425,500	2.01%	Westbrook Lane	2,089,100	1.49%
ESS Storage Acquisition Sixty Six	1,987,400	1.65%	Brooklawn Realty Associates	1,763,100	1.26%
	1,987,200	1.65%	Levin Real Estate, LLC	1,349,000	0.96%
DAR & JO, LLC	1,453,700	1.21%	Materials Handling Supply Co.	1,248,300	0.89%
Sunk Restaurant, LLC	1,204,100	1.00%	Ming Kui Lau Restaurant	1,148,400	0.82%
700 Crescent Blvd	1,065,900	0.88%	Ambler Motel LLC	845,500	0.60%
Total	<u>\$ 29,638,700</u>	<u>24.60%</u>	Total	<u>\$ 25,898,100</u>	<u>18.48%</u>

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	
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
2024	1,554,520	1,534,551	98.72%	19,969

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			
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	1.39%	838
2023	1,400,000	7,605	1,407,605	d	776
2024	-	1,399	1,399	d	d

Sources:

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

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

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		
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%	772
2024	-	-	-	0.00%	-

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, 2023

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	\$ 4,110,831	(1)	100.000%	\$ 4,110,831
Camden County General Obligation Debt	472,941,249	(1)	0.315%	(2) 1,490,238
				<hr/>
Subtotal, overlapping debt				5,601,069
Brooklawn School District Direct Debt				<hr/>
				-
Total direct and overlapping debt				<hr/>
				\$ 5,601,069

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2023 Equalized Valuation. The source for this computation was the 2023 County Abstract of Ratables, provided by the County Board of Taxation.

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized valuation basis (1)	
2021	143,378,760
2022	151,200,779
2023	160,453,622
	<u>\$ 455,033,161</u>
Average equalized valuation of taxable property	<u>\$ 151,677,720</u>
Debt limit (3% of average equalized valuation) (2)	4,550,332
Net bonded school debt (3)	-
Legal debt margin	<u>\$ 4,550,332</u>

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 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	\$ 4,550,332
Total net debt applicable to limit (3)	<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>	<u>-</u>
Legal debt margin	<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>	<u>\$ 4,550,332</u>
Total net debt applicable to the limit as a percentage of debt limit	75.91%	76.69%	72.76%	65.32%	57.52%	50.52%	44.09%	39.16%	33.57%	0.00%

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**

EXHIBIT J-14

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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	109,243,134	60,489	4.8%
2023	1,813	e	e	5.6%
2024	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

	Fiscal Years Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Function/Program</u>										
Instruction										
Regular	20	20	20	20	24.8	24.1	23.2	24.4	24.4	20.0
Special education	7	7	7	7	5.0	5.0	6.0	6.0	6.0	11.0
Other special education	6	6	6	6	11.6	10.6	8.5	8.2	8.2	8.0
Other instruction	3	3	3	3						1.0
Support Services:										
School administrative services	2	2	2	2	3.0	3.0	3.0	3.0	3.0	3.0
General and business administrative services	2	2	2	2	2.5	2.5	1.9	1.9	1.9	0.2
Plant operations and maintenance	2.5	2.5	2.5	2.5	3.0	4.2	4.2	4.2	4.2	5.5
Business and other support services	2	2	2	2	2.3	2.3	2.3	2.3	2.3	2.0
Administrative Information Technology	1	1	1	1						
Food Service	2	2	2	2	1.5	1.5	1.5	-	-	
Child Care	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>55.0</u>	<u>54.5</u>	<u>50.6</u>	<u>50.0</u>	<u>50.0</u>	<u>50.7</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
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	1:10	292.0	281.9	-0.86%	96.53%
2021	313	6,805,788	21,744	11.35%	29	1:10	283.4	262.9	-2.95%	92.77%
2022	351	8,034,231	22,890	5.27%	30	1:09	285.5	263.7	0.74%	92.36%
2023	331	8,893,093	26,867	17.38%	30	1:09	275.3	255.6	-3.57%	92.84%
2024	346	8,683,617	25,097	-6.59%	30	1:08	264.2	245.7	-4.03%	93.00%

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,								
	2015	2016	2017	2018	2019	2020	2021	2023	2024
<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
Capacity (students)	400	400	400	400	400	400	400	400	400
Enrollment	345	320	312	310	303	292	283	275	264

Number of Schools at June 30, 2024

 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
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
* School Facilities											
Alice Costello School	\$ 23,000	\$ 37,000	\$ 30,640	\$ 82,239	\$ 1,898	\$ 38,322	\$ 25,780	\$ 27,005	\$ 27,001	\$ 10,950	\$ 303,835
Total School Facilities	<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>\$ 10,950</u>	<u>\$ 303,835</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, 2024**

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/100,000	
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		
Treasurer (4)	175,000	
Board Secretary (5)	50,000	

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

Source: District records

Single Audit Section

INVERSO & STEWART, LLC
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
 AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
 WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Brooklawn School District (the "District"), in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated November 27, 2024.

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
November 27, 2024

INVERSO & STEWART, LLC
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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, 2024. 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, 2024.

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.

Other Matters

The results of my auditing procedures disclosed instances of noncompliance, which are required to be reported under State of New Jersey Circular 15-08-OMB and which is described in the accompanying *Schedule of Findings and Questioned Costs and Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* as finding no: 2024-001. My opinion on the major state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Brooklawn School District's response to the noncompliance finding identified in my audit described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

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
November 27, 2024

BROOKLAWN SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

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, 2023			Adjustment	Carryover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2024		
						(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
Title I																
Fiscal Year 2024	84.010	S010A230030	ESSA-0580-24	\$ 128,888	7/1/23- 9/30/24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(128,888)	\$ -	\$(128,888)	\$ -	\$ -
Fiscal Year 2023	84.010	S010A220030	ESSA-0580-23	234,010	7/1/22- 9/30/23	(142,676)					175,152	(32,476)		-(128,888)	-	-
Title II A																
Fiscal Year 2024	84.367A	S367A230029	ESSA-0580-24	12,525	7/1/23- 9/30/24							(12,525)		(12,525)		
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 2024	84.424	S424A230031	ESSA-0580-24	12,770	7/1/23- 9/30/24							(12,770)		(12,770)		
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 2024	84.027A	H027A230100	IDEA-0580-24	96,537	7/1/23- 9/30/24						96,537	(96,537)		-		
Part B - Preschool																
Fiscal Year 2024	84.173A	H173A230114	IDEA-0580-24	3,632	7/1/23- 9/30/24							(3,632)		(3,632)		
Fiscal Year 2023	84.173A	H173A220114	IDEA-0580-23	6,928	7/1/22- 9/30/23	(3,652)					3,652			-		
Coronavirus Response and Relief Supplemental Act:																
CRRSA - ESSER II	84.425D	S425D210027	N/A	530,447	3/13/20 - 9/30/23	(27,516)					29,527	(2,011)		-		
CRRSA - Learning Acceration	84.425D	S425D210027	N/A	34,042	3/13/20 - 9/30/23	(1,814)					1,814			-		
CRRSA - Mental Health	84.425D	S425D210027	N/A	45,000	3/13/20 - 9/30/23	(40,499)					40,499			-		
American Rescue Plan																
ARP - ESSER III	84.425U	S425U210027	N/A	1,192,146	3/13/20 - 9/30/24	(144,665)					383,240	(238,575)		-		
ARP - Accelerated Learning	84.425U	S425U210027	N/A	50,000	3/13/20 - 9/30/24	(7,646)					48,190	(40,544)		-		
ARP - Summer Learning	84.425U	S425U210027	N/A	40,000	3/13/20 - 9/30/24						22,943	(40,000)		(17,057)		
ARP - Beyondg the School Day	84.425U	S425U210027	N/A	40,000	3/13/20 - 9/30/24							(40,000)		(40,000)		
ARP - Mental Health	84.425U	S425U210027	N/A	45,000	3/13/20 - 9/30/24						45,000	(45,000)		-		
Total U.S. Department of Education						(395,819)	-	-	-	-	873,905	(692,958)	-	(214,872)	-	-
U.S. Department of Agriculture																
Passed-through State Department of Agriculture:																
Enterprise Fund:																
Food Distribution Program																
School Breakfast Program:	10.555	241NJ304N1099	N/A	13,776	10/1/23 - 9/30/24						13,776	(13,776)				
Fiscal Year 2024	10.553	241NJ304N1099	N/A	27,989	10/1/23 - 9/30/24						26,623	(27,989)		(1,366)		
Fiscal Year 2023	10.553	231NJ304N1199	N/A	33,787	10/1/22 - 9/30/23	(2,150)					2,150					
National School Lunch Program																
Fiscal Year 2024	10.555	241NJ304N1099	N/A	97,211	10/1/23 - 9/30/24						94,329	(97,211)		(2,882)		
Fiscal Year 2023	10.555	231NJ304N1199	N/A	98,457	10/1/22 - 9/30/23	(5,010)					5,010					
Summer Food Service Program - Food	10.559	241NJ304N1099	N/A	273	10/1/23 - 9/30/24						273	(273)				
P-EBT Administrative Costs	10.649	231NJ304S9009	N/A	653	10/1/23 - 9/30/24						653	(653)				
Local Food for Schools	10.185	AM22LFS000C015	N/A	242	10/1/23 - 9/30/24						242	(242)				
Supply Chain Assistance - 4th Round	10.555	231NJ344N8903	N/A	11,124	10/1/22 - 9/30/24						11,124	(11,124)				
Total U.S. Department of Agriculture						(7,160)	-	-	-	-	154,180	(151,268)	-	(4,248)	-	-
Total Federal Awards						\$ (402,979)	\$ -	\$ -	\$ -	\$ -	\$ 1,028,085	\$ (844,226)	\$ -	\$ (219,120)	\$ -	\$ -

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, 2024

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Local Share	Grant Period From - To	Balance, June 30, 2023			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Balance, June 30, 2024		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education														
General Fund:														
Equalization Aid	24-495-034-5120-078	\$ 4,569,202		7/1/23-6/30/24	\$ -	\$ -	\$ -	\$ -	\$ 4,118,066	\$ (4,569,202)	\$ -	\$ (451,136)	\$ -	\$ -
Equalization Aid	23-495-034-5120-078	4,195,519		7/1/22-6/30/23	(413,866)				413,866					
Special Education Categorical Aid	24-495-034-5120-089	271,023		7/1/23-6/30/24					244,264	(271,023)		(26,759)		
Special Education Categorical Aid	23-495-034-5120-089	271,023		7/1/22-6/30/23	(26,735)				26,735					
Security Aid	24-495-034-5120-084	110,945		7/1/23-6/30/24					99,991	(110,945)		(10,954)		
Security Aid	23-495-034-5120-084	110,945		7/1/22-6/30/23	(10,944)				10,944					
Transportation Aid	24-495-034-5120-014	17,795		7/1/23-6/30/24					16,038	(17,795)		(1,757)		
Transportation Aid	23-495-034-5120-014	17,795		7/1/22-6/30/23	(1,755)				1,755					
School Choice Aid	24-495-034-5120-068	377,472		7/1/23-6/30/24					340,202	(377,472)		(37,270)		
School Choice Aid	23-495-034-5120-068	392,767		7/1/22-6/30/23	(38,744)				38,744					
Adjustment Aid	24-495-034-5120-085	75,296		7/1/23-6/30/24					67,862	(75,296)		(7,434)		
Adjustment Aid	23-495-034-5120-085	75,296		7/1/22-6/30/23	(7,428)				7,428					
Extraordinary Aid	24-495-034-5120-044	90,246		7/1/23-6/30/24						(90,246)		(90,246)		
Extraordinary Aid	23-495-034-5120-044	61,532		7/1/22-6/30/23	(61,532)				61,532					
Nonpublic Transportstion Aid	24-495-034-5120-014	910		7/1/23-6/30/24						(910)		(910)		
Nonpublic Transportstion Aid	23-495-034-5120-014	624		7/1/22-6/30/23	(624)				624					
On-behalf TPAF Pension Contributions	24-495-034-5094-002	869,295		7/1/23-6/30/24					869,295	(869,295)		-		
On-behalf TPAF Post Retirement Medical	24-495-034-5094-001	236,590		7/1/23-6/30/24					236,590	(236,590)		-		
On-behalf TPAF Pension - LTDI	24-495-034-5094-004	362		7/1/23-6/30/24					362	(362)		-		
Reimbursed TPAF Social Security Contr.	24-495-034-5094-003	(204,266)		7/1/23-6/30/24					184,058	(204,266)		(20,208)		
Reimbursed TPAF Social Security Contr.	23-495-034-5094-003	177,166		7/1/22-6/30/23	(19,697)				19,697					
Total General Fund					(581,325)	-	-	-	6,758,053	(6,823,402)	-	(646,674)	-	-
Special Revenue Fund:														
Preschool Education Aid	24-495-034-5120-086	80,068	43,642	7/1/23-6/30/24					115,703	(123,710)		(8,007)		
Preschool Education Aid	23-495-034-5120-086	71,112		7/1/22-6/30/23	(7,111)				7,111					
Total Special Revenue Fund					(7,111)	-	-	-	122,814	(123,710)	-	(8,007)	-	-
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)				103,191		34,669	-		
Total Capital Projects Fund					(242,113)	-	-	-	103,191	-	138,922	-	-	-
Debt Service Fund														
Debt Service Aid Type II	24-495-034-5120-017	40,325		7/1/23-6/30/24					40,325	(40,325)				
Total State Department of Education					(830,549)	-	-	-	7,024,383	(6,987,437)	138,922	(654,681)	-	-
State Department of Agriculture														
Enterprise Fund:														
Summer Food Service Program - Supplement	24-100-010-3350-023	24		7/1/23- 6/30/24					24	(24)				
State School Brakfast Program														
Fiscal Year 2024	24-100-010-3350-023	2,472		7/1/23-6/30/24					2,331	(2,472)		(141)		
Fiscal Year 2023	23-100-010-3350-023	2,275		7/1/22- 6/30/23	(140)				140					
State School Lunch Program														
Fiscal Year 2024	24-100-010-3350-023	5,817		7/1/23-6/30/24					5,618	(5,817)		(199)		
Fiscal Year 2023	23-100-010-3350-023	3,693		7/1/22- 6/30/23	(192)				192			-		
Total State Department of Agriculture					(332)	-	-	-	8,305	(8,313)	-	(340)	-	-
Total State Financial Assistance					\$ (830,881)	\$ -	\$ -	\$ -	\$ 7,032,688	(6,995,750)	\$ 138,922	\$ (655,021)	\$ -	\$ -
Less: State Financial Expenditures Not Subject to Major Program Determination														
On-behalf TPAF Pension Contributions	24-495-034-5094-002	869,295		7/1/23-6/30/24						869,295				
On-behalf TPAF Post Retirement Medical	24-495-034-5094-001	236,590		7/1/23-6/30/24						236,590				
On-behalf TPAF Pension - LTDI	24-495-034-5094-004	362		7/1/23-6/30/24						362				
Total State Financial Expenditures Subject to Major Program Determination										\$ (5,889,503)				

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, 2024

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Brooklawn School District ("School District"). The School District is defined in Note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$35,838) for the general fund and (\$44,538) 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	\$ -	\$ 6,787,564	\$ 6,787,564
Special Revenue	692,958	79,172	772,130
Debt Service		40,325	40,325
Food Service	<u>151,268</u>	<u>8,313</u>	<u>159,581</u>
Total	<u>\$ 844,226</u>	<u>\$ 6,915,374</u>	<u>\$ 7,759,600</u>

Brooklawn School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024
(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, 2024. 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, 2024.

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>-</u>	\$ <u>138,922</u>

**BROOKLAWN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:		<u>Unmodified</u>	
Internal control over financial reporting:			
Material weaknesses identified?	<u> </u> yes	<u> X </u>	no
Significant deficiencies identified?	<u> </u> yes	<u> X </u>	none reported
Noncompliance material to general purpose financial statements noted?	<u> </u> yes	<u> X </u>	no

Federal Awards

Internal Control over major programs:			
Material weaknesses identified?	<u> </u> yes	<u> X </u>	no
Significant deficiencies identified?	<u> </u> yes	<u> X </u>	none reported
Type of auditor's report on compliance for major programs:		<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)?			
	<u> </u> yes	<u> X </u>	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>84.425U</u>	<u>S425U210027</u>	<u>ARP - ESSER III</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Accelerated Learning</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Summer Learning</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Beyond the School Day</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Mental Health</u>

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

Auditee qualified as low-risk auditee?	<u> X </u>	yes	<u> </u> no
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State Awards

Identification of major programs:

**BROOKLAWN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024**

**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:

Finding No. 2024-001

Information on the State Program:

Equalization Aid; ID No. 24-495-034-5120-078

Special Education Aid; ID No. 24-495-034-5120-089

Adjustment Aid; ID No. 24-495-034-5120-085

Criteria or specific requirement:

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

Condition:

The count for on roll students did not agree to supporting documents.

Questioned Costs:

None

Context:

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

Effect:

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

Cause:

Oversight.

Recommendation:

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

View of Responsible Officials and Planned Corrective Action:

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

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

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

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.