

**BOROUGH OF BROOKLAWN  
COUNTY OF CAMDEN  
REPORT OF AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**BOROUGH OF BROOKLAWN**  
**TABLE OF CONTENTS**

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
	<b><u>PART I</u></b>	
	Independent Auditor's Report	2
	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5
	<b><u>CURRENT FUND</u></b>	
A	Comparative Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	7
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis	9
A-2	Statement of Revenues - Regulatory Basis	11
A-3	Statement of Expenditures - Regulatory Basis	15
	<b><u>TRUST FUND</u></b>	
B	Comparative Statements of Assets, Liabilities and Reserves - Regulatory Basis	22
	<b><u>GENERAL CAPITAL FUND</u></b>	
C	Comparative Statements of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis	23
	<b><u>WATER UTILITY FUND</u></b>	
D	Comparative Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	24
D-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis	26
D-2	Schedule of Capital Fund Balance - Regulatory Basis	27
D-3	Statement of Revenues - Regulatory Basis	28
D-4	Statement of Expenditures - Regulatory Basis	29
	<b><u>GENERAL FIXED ASSET ACCOUNT GROUP</u></b>	
F	Statement of General Fixed Asset Group of Accounts - Regulatory Basis	30
	Notes to Financial Statements	31

**BOROUGH OF BROOKLAWN**  
**TABLE OF CONTENTS (CONT'D)**

<b><u>Exhibit No.</u></b>		<b><u>Page No</u></b>
	<b><u>SUPPLEMENTAL EXHIBITS</u></b>	
	<b><u>CURRENT FUND</u></b>	
SA-1	Statement of Current Cash - Treasurer	73
SA-2	Schedule of Change Funds	75
SA-3	Statement of Taxes Receivable and Analysis of Property Tax Levy	76
SA-4	Statement of Tax Title Liens	77
SA-5	Statement of Due to State of New Jersey Veterans' and Senior Citizens' Deductions	77
SA-6	Statement of Rents Receivable - Borough Owned Homes	78
SA-7	Statement of Revenue Accounts Receivable	79
SA-8	Statement of Appropriation Reserves	80
SA-9	Statement of Due State of New Jersey - Marriage License Fees	84
SA-10	Statement of Due to State of New Jersey - State Training Fees Payable	84
SA-11	Statement of Reserve for Payroll Deductions Payable	85
SA-12	Statement of Prepaid Taxes	86
SA-13	Statement of Tax Overpayments	86
SA-14	Statement of County Taxes Payable	87
SA-15	Statement of Amount Due to County for Added Taxes	87
SA-16	Statement of Prepaid Rents on Borough Owned Homes	87
SA-17	Statement of Local District School Taxes	88
SA-18	Federal and State Grant Fund - Statement of Federal and State Grants Receivable	89
SA-19	Federal and State Grant Fund - Statement of Reserve for State Grants - Unappropriated	90
SA-20	Federal and State Grant Fund - Statement of Reserves for Federal and State Grants - Appropriated	91
	<b><u>TRUST FUND</u></b>	
SB-1	Trust Other Fund - Statement of Trust Cash - Treasurer	93
SB-2	Trust Other Fund - Animal Control Fund - Statement of Due to Current Fund	94
SB-3	Trust Other Fund - Animal Control Fund - Statement of Due to State of New Jersey	95
SB-4	Trust Other Fund - Animal Control Fund - Statement of Reserve for Animal Control Expenditures	96
SB-5	Trust Other Fund - Statement of Due to/from Current Fund	97
SB-6	Trust Other Fund - Statement of Reserve for Unemployment Compensation Insurance	98
SB-7	Trust Other Fund - Statement of Miscellaneous Trust Other Reserves	99
SB-8	Trust Other Fund - Statement of Due to Federal and State Grant Fund	100
SB-9	Trust LOSAP Fund - Statement of Investments – Length of Service Awards Program	101

**BOROUGH OF BROOKLAWN**  
**TABLE OF CONTENTS (CONT'D)**

<b><u>Exhibit No.</u></b>		<b><u>Page No</u></b>
	<b><u>GENERAL CAPITAL FUND</u></b>	
SC-1	Statement of General Capital Cash	103
SC-2	Analysis of General Capital Cash	104
SC-3	Statement of Deferred Charges to Future Taxation - Funded	105
SC-4	Statement of Deferred Charges to Future Taxation - Unfunded	106
SC-5	Statement of Accounts Receivable	107
SC-6	Statement of Due from/to Current Fund	108
SC-7	Statement of Bond Anticipation Notes	109
SC-8	Statement of Capital Improvement Fund	110
SC-9	Statement of United States Department of Agriculture Loan Payable	111
SC-10	Statement of Improvement Authorizations	112
SC-11	Statement of Contracts Payable	113
SC-12	Schedule of Reserve for Payment of Debt	114
SC-13	Statement of Bonds and Notes Authorized But Not Issued	115
	<b><u>WATER UTILITY FUND</u></b>	
SD-1	Statement of Water Utility Cash - Treasurer	117
SD-2	Water Utility Capital Fund - Analysis of Water Utility Capital Cash	118
SD-3	Water Utility Operating Fund - Statement of Consumer Accounts Receivable	119
SD-4	Water Utility Operating Fund - Statement of Water Rent Overpayments	120
SD-5	Water Utility Capital Fund - Statement of Fixed Capital	121
SD-6	Water Utility Capital Fund - Statement of Fixed Capital Authorized and Uncompleted	122
SD-7	Water Utility Operating Fund - Statement of Appropriation Reserves	123
SD-8	Water Utility Operating Fund - Statement of Interest on Notes and Analysis of Balance	124
SD-9	Water Utility Capital Fund - Statement of Capital Improvement Fund	125
SD-10	Water Utility Capital Fund - Statement of Improvement Authorization	126
SD-11	Water Utility Capital Fund - Statement of Reserve for Amortization	127
SD-12	Water Utility Capital Fund - Statement of Bond Anticipation Notes	128
SD-13	Water Utility Capital Fund - Statement of Deferred Reserve for Amortization	129
SD-14	Water Utility Capital Fund - Statement of U.S.D.A. Loan Payable	130
SD-15	Water Utility Capital Fund - Statement of Bonds and Notes Authorized but not Issued	131
	<b><u>PART II</u></b>	
	<b><u>SCHEDULE OF FINDINGS AND RECOMMENDATIONS</u></b>	
	Schedule of Financial Statement Findings	133
	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	134
	<b><u>OFFICIALS IN OFFICE AND SURETY BONDS</u></b>	135
	<b><u>APPRECIATION</u></b>	136

**BOROUGH OF BROOKLAWN**

**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Council  
Borough of Brooklawn  
Brooklawn, New Jersey 08030

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Brooklawn, in the County of Camden, State of New Jersey, as of December 31, 2022 and 2021, and the related statements of operations and changes in balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

#### ***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Brooklawn, in the County of Camden, State of New Jersey, as of December 31, 2022 and 2021, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2022, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

#### ***Adverse Opinion on Accounting Principles Generally Accepted in the United States of America***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Borough of Brooklawn, in the County of Camden, State of New Jersey, as of December 31, 2022 and 2021, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions on Regulatory Basis of Accounting***

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

### ***Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America***

As described in note 1 to the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible 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 Borough'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***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2023 on our consideration of the Borough of Brooklawn's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Brooklawn's 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 Borough of Brooklawn's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
August 18, 2023



**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 Mayor and  
Members of the Borough Council  
Borough of Brooklawn  
Brooklawn, New Jersey 08030

We 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 *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Brooklawn, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 18, 2022. That report indicated that the Borough of Brooklawn's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough'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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Recommendations*, as Finding No. 2022-001 that we consider to be a significant deficiency.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which is described in the accompanying *Schedule of Findings and Recommendations*, as Finding No. 2022-001.

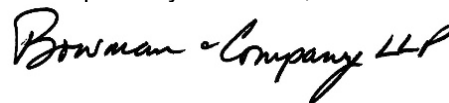
### The Borough of Brooklawn's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the Borough's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Recommendations*. The Borough's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
August 18, 2023

**BOROUGH OF BROOKLAWN****CURRENT FUND**

Comparative Statements of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis  
As of December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b><u>ASSETS</u></b>			
Regular Fund:			
Cash--Treasurer	SA-1	\$ 1,703,991.17	\$ 1,938,796.56
Cash--Change Funds	SA-2	240.00	240.00
		<u>1,704,231.17</u>	<u>1,939,036.56</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	67,852.94	74,835.07
Tax Title Liens Receivable	SA-4	137,064.86	125,721.54
Property Acquired for Taxes - Assessed Valuation	A	69,700.00	69,700.00
Rents Receivable - Borough-Owned Homes	SA-6	32,817.51	60,197.51
Revenue Accounts Receivable	SA-7	2,172.52	5,200.08
Due from Trust - Animal Control Fund	SB-2	0.53	0.19
Due from Trust - Other Fund	SB-5		12,097.56
Due from General Capital Fund	C	221.04	
Due from Water Utility Operating Fund	D		98.00
		<u>309,829.40</u>	<u>347,849.95</u>
		<u>2,014,060.57</u>	<u>2,286,886.51</u>
Federal and State Grant Fund:			
Cash	SA-1	312,435.82	257,983.80
Due from Trust - Other Fund	SB-8	2,100.00	
Grants Receivable	SA-18	67,534.97	53,125.13
		<u>382,070.79</u>	<u>311,108.93</u>
		<u>\$ 2,396,131.36</u>	<u>\$ 2,597,995.44</u>

(Continued)

**BOROUGH OF BROOKLAWN****CURRENT FUND**

Comparative Statements of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis  
As of December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves	A-3	\$ 90,530.99	\$ 66,837.66
Reserve for Encumbrances:			
Budget	A-3	65,608.25	96,921.44
Due to State of New Jersey:			
Veterans and Senior Citizens Deductions (Ch.73, P.L. 1976)	SA-5	17,193.77	17,465.00
Marriage License Fees	SA-9	25.00	150.00
State Training Fees	SA-10	680.00	116.00
Reserve for Payroll Deductions Payable	SA-11	24,626.53	28,729.48
Prepaid Taxes	SA-12	86,272.66	58,848.50
Tax Overpayments	SA-13	12,765.75	16,495.21
Due to County for Added and Omitted Taxes	SA-15	1,025.07	6,427.15
Prepaid Rents on Borough Owned Homes	SA-16	3,990.00	
School Taxes Payable	SA-17	5,306.50	4,481.50
Reserve for Municipal Relief Fund		10,407.16	
Due to Trust - Other Fund	SB-5	708.01	
Due to General Capital Fund	SC-6		51,710.37
		<u>319,139.69</u>	<u>348,182.31</u>
Reserves for Receivables		309,829.40	347,849.95
Fund Balance	A-1	<u>1,385,091.48</u>	<u>1,590,854.25</u>
		<u>2,014,060.57</u>	<u>2,286,886.51</u>
Federal and State Grant Fund:			
Reserve for Small Cities Program Income	A	73.66	73.66
Reserve for Encumbrances	SA-20	573.19	
Reserve for Federal and State Grants - Unappropriated	SA-19	199,590.66	99,330.46
Reserve for Federal and State Grants - Appropriated	SA-20	<u>181,833.28</u>	<u>211,704.81</u>
		<u>382,070.79</u>	<u>311,108.93</u>
		<u>\$ 2,396,131.36</u>	<u>\$ 2,597,995.44</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**

Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 585,000.00	\$ 575,000.00
Miscellaneous Revenues Anticipated	1,165,697.27	1,261,997.59
Receipts from Delinquent Taxes	71,274.90	123,118.68
Receipts from Current Taxes	4,819,263.17	4,528,793.31
Non-budget Revenues	77,485.84	255,945.49
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	70,684.29	157,000.75
Cancellation of Reserve for Revaluation		16,185.63
Cancellation of Reserve for Preparation of Tax Maps		2,032.50
Cancellation of Reserve for C.C.M.U.A.		562.72
Cancellation of Prior Year LOSAP Contribution		11,500.00
Cancellation of Tax Overpayments		4,378.96
Interfund Reserves Liquidated:		
Due from General Capital Fund		74.02
Due from Trust - Animal Control Fund	12,097.56	
Due from Water Utility Operating Fund	98.00	24.00
	<u>6,801,601.03</u>	<u>6,936,613.65</u>
<u>Expenditures:</u>		
Budget Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	1,222,799.09	1,170,561.00
Other Expenses	1,209,704.91	1,181,513.00
Deferred Charges and Statutory Expenditures		
Municipal -- Within "CAPS"	329,863.00	349,270.00
Operations Excluded from "CAPS"		
Salaries and Wages	20,265.38	20,323.76
Other Expenses	776,631.28	712,463.59
Capital Improvement Fund	15,000.00	15,000.00
Municipal Debt Service	229,377.32	288,381.31
Deferred Charges -- Excluded from "CAPS"		61,749.45
County Taxes	1,165,705.37	1,072,350.09
Due County for Added and Omitted Taxes	1,025.07	6,427.15
Local District School Tax	1,451,271.00	1,443,279.50
Prior Year Senior Citizens Disallowed	500.00	613.82
Refund of Prior Year Revenue		3,779.17
Interfund Reserves Created:		
Due from Trust - Animal Control Fund	0.34	0.07
Due from Trust - Other Fund		12,097.56
Due from General Capital Fund	221.04	
	<u>6,422,363.80</u>	<u>6,337,809.47</u>

(Continued)

**BOROUGH OF BROOKLAWN****CURRENT FUND**

Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis

For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Excess in Revenue	\$ 379,237.23	\$ 598,804.18
Fund Balance January 1	<u>1,590,854.25</u>	<u>1,567,050.07</u>
	1,970,091.48	2,165,854.25
Decreased by:		
Utilization as Anticipated Revenue	<u>585,000.00</u>	<u>575,000.00</u>
Fund Balance December 31	<u><u>\$ 1,385,091.48</u></u>	<u><u>\$ 1,590,854.25</u></u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2022

	Anticipated <u>Budget</u>	Special <u>N.J.S. 40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ 585,000.00		\$ 585,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	12,500.00		12,650.00	\$ 150.00
Other	3,900.00		6,460.19	2,560.19
Fines and Costs:				
Municipal Court	70,500.00		53,981.40	(16,518.60)
Interest and Costs on Taxes	16,029.72		19,354.03	3,324.31
Interest on Investments and Deposits	3,500.00		4,880.38	1,380.38
Rental of Municipally Owned Property	297,100.00		352,570.00	55,470.00
Uniform Fire Safety Act-- Fees & Permits	750.00		115.00	(635.00)
Rental Registration Fees	11,000.00		22,720.00	11,720.00
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	199,509.00		199,509.00	
Uniform Construction Code Fees	28,000.00		33,601.00	5,601.00
Hotel Motel Tax	55,000.00		55,498.58	498.58
Sewer Service Fees	180,000.00		187,890.12	7,890.12
Rental of Community Center	4,000.00		9,769.00	5,769.00
Special Items of Revenue:				
Uniform Fire Safety Act	5,000.00		6,543.56	1,543.56
Utility Operating Surplus of Prior Year	35,000.00		35,000.00	
Interlocal Service Agreement - Administrator Services - Borough of Westville	81,500.00		81,500.00	
Interlocal Service Agreement - Electrical Sub-Code				
Official Services - Borough of Westville	9,000.00		9,000.00	
Interlocal Service Agreement - Tax Collector - Audobon Park	3,000.00		1,715.70	(1,284.30)
Interlocal Service Agreement - Qualified Purchasing Agent - Borough of Lindenwold	2,500.00		2,500.00	
Interlocal Service Agreement - Borough of Runnemede		\$ 29,000.00	19,162.65	(9,837.35)

(Continued)

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2022

	Anticipated <u>Budget</u>	Special <u>N.J.S. 40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Public and Private Revenues Offset With Appropriations:				
Body Armor Replacement Fund	\$ 790.50		\$ 790.50	
Clean Communities Program		\$ 4,065.38	4,065.38	
Drunk Driving Enforcement Fund		2,100.00	2,100.00	
Recycling Tonnage Grant	3,120.78		3,120.78	
Recreation Facilities Enhancement Grant	25,000.00		25,000.00	
Safe and Secure Communities Grant	16,200.00		16,200.00	
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal General Revenues	1,062,900.00	35,165.38	1,165,697.27	\$ 67,631.89
	<hr/>	<hr/>	<hr/>	<hr/>
Receipts from Delinquent Taxes	75,000.00	-	71,274.90	(3,725.10)
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal General Revenues	1,722,900.00	35,165.38	1,821,972.17	63,906.79
Amount to be Raised by Taxes for				
Support of Municipal Budget -				
Local Tax for Municipal Purposes Including				
Reserve for Uncollectible Taxes	2,209,009.64	-	2,286,118.37	77,108.73
	<hr/>	<hr/>	<hr/>	<hr/>
Budget Totals	3,931,909.64	35,165.38	4,108,090.54	141,015.52
	<hr/>	<hr/>	<hr/>	<hr/>
Nonbudget Revenues	-	-	77,485.84	77,485.84
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$ 3,931,909.64</u>	<u>\$ 35,165.38</u>	<u>\$ 4,185,576.38</u>	<u>\$ 218,501.36</u>

(Continued)



**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2022

Analysis of Realized Revenue:

Allocation of Current Tax Collections:

Revenue from Collections	\$ 4,819,263.17
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Allocated to:

School and County Taxes	2,696,554.44
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Balance for Support of Municipal Budget Revenues	2,122,708.73
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Add:

Appropriation: "Reserve for Uncollected Taxes"	163,409.64
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Amount for Support of Municipal Budget Appropriations	\$ 2,286,118.37
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Receipts from Delinquent Taxes

Delinquent Tax Collections	\$ 71,274.90
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Interest on Investments and Deposits

Treasurer	\$ 4,870.76
Municipal Court	9.62

	\$ 4,880.38
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Rental of Municipally Owned Property

Rents Receivable	\$ 352,570.00
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(Continued)

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2022

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Miscellaneous Revenue Not Anticipated

Recycling	\$ 6,052.70
Police Reports	871.30
NSF Check Fees	25.00
Registrar	120.00
Gun Permits	28.00
Zoning	1,850.00
Zoning List	140.00
Homestead Mailing Rebate	96.60
Cable TV	10,152.69
Bus Shelters	1,170.00
Gateway Railroad Lease	1,100.00
Property Maintenance Revenue	6,897.86
Refund-DMV Inspections Issued	150.00
Donations- 4th of July	2,185.00
Senior Citizen & Veteran Deductions - Admin Fee	252.17
CO Inspection Fees	6,385.00
Street Openings	200.00
Searches	20.00
Police Outside Services - Admin Fees	30,000.00
Marriage License - Borough	18.00
Sewer Rent Interest	865.56
Miscellaneous	2,354.46
Other Fees	6,551.50
	<hr/>
	\$ 77,485.84
	<hr/>

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

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2022

	Appropriations		Expended			Unexpended Balance
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>OPERATIONS WITHIN "CAPS"</u>						
GENERAL GOVERNMENT:						
Administrative and Executive						
Salaries and Wages:						
Municipal Clerk's Office	\$ 100,000.00	\$ 113,256.74	\$ 113,256.74			
Mayor and Council	24,400.00	24,400.00	24,400.00			
Other Expenses:						
Printing and Legal	3,100.00	2,600.00	1,326.24	\$ 11.30	\$ 1,262.46	
Mayor and Council	3,100.00	2,563.25	2,563.25			
Miscellaneous Other Expenses	70,000.00	94,828.00	93,837.41	469.71	520.88	
Elections						
Other Expenses	2,000.00	2,000.00	1,135.98		864.02	
Financial Administration						
Salaries and Wages:						
Treasurer's Office	31,500.00	32,000.00	31,772.59		227.41	
Chief Financial Officer	48,000.00	51,023.48	51,023.48			
Other Expenses:						
Annual Audit	32,000.00	29,900.00	29,900.00			
Assessment of Taxes						
Salaries and Wages	9,000.00	8,500.00	8,499.96		0.04	
Other Expenses	1,000.00	771.80	155.00	516.80	100.00	
Collection of Taxes						
Salaries and Wages	43,500.00	43,199.78	43,199.78			
Other Expenses	4,000.00	2,838.50	2,582.00		256.50	
Legal Services						
Other Expenses	50,000.00	46,160.26	45,160.26		1,000.00	
Engineering Services and Costs						
Other Expenses	30,000.00	28,335.00	26,335.00		2,000.00	
Public Buildings and Grounds						
Other Expenses	38,000.00	63,500.00	62,620.76	649.95	229.29	

(Continued)

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2022

	Appropriations		Expended			Unexpended Balance
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
Administration of Borough Owned Homes						
Salaries and Wages	\$ 11,000.00	\$ 10,693.99	\$ 10,693.99			
Maintenance of Borough Owned Homes						
Salaries and Wages	25,000.00	23,500.00	23,033.04		\$ 466.96	
Other Expenses	62,000.00	69,000.00	68,719.91		280.09	
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning and Zoning Boards						
Salaries and Wages	7,100.00	6,600.00	6,098.62		501.38	
Other Expenses	2,000.00	800.00	616.00		184.00	
Insurance:						
Group Insurance Plans for Employees	223,780.00	133,030.00	130,543.31		2,486.69	
Health Benefit Waiver	28,000.00	24,754.10	24,754.10			
Worker's Compensation Insurance	72,024.00	72,024.00	72,024.00			
Other Insurance Premiums	88,500.00	88,550.00	88,543.72		6.28	
Animal Control						
Other Expenses	10,000.00	9,000.00	7,859.29	\$ 300.00	840.71	
Celebration of Public Events						
Other Expenses	20,000.00	20,000.00	19,031.78	920.28	47.94	
<u>PUBLIC SAFETY:</u>						
Uniform Fire Safety Act (P.L. 1983, Ch 383)						
Fire Prevention						
Salaries and Wages	5,500.00	5,500.00	5,469.96		30.04	
Other Expenses	3,000.00	3,000.00	65.72	2,934.28		
Police						
Salaries and Wages	790,000.00	786,000.00	784,477.50		1,522.50	
Other Expenses	80,000.00	86,000.00	77,633.25	8,072.89	293.86	
Fire						
Other Expenses	37,000.00	37,000.00	31,550.28	3,325.25	2,124.47	
Municipal Code Enforcement Official						
Salaries and Wages	41,000.00	45,107.10	45,107.10			
Other Expenses	1,500.00	2,000.00	467.96	1,523.05	8.99	

(Continued)

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2022

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
OPERATIONS WITHIN "CAPS" (CONT'D)						
PUBLIC SAFETY (CONT'D):						
Office of Emergency Management						
Salaries and Wages	\$ 1,200.00	\$ 2,200.00	\$ 2,000.00		\$ 200.00	
Other Expenses	2,000.00	1,000.00	259.71		740.29	
Traffic Signals						
Other Expenses	2,800.00	1,800.00	856.25		943.75	
Streets and Roads						
Road Repairs and Maintenance						
Salaries and Wages	10,000.00	10,000.00	9,937.46		62.54	
Other Expenses	15,000.00	11,000.00	10,288.02	\$ 57.00	654.98	
Vehicle Maintenance						
Other Expenses	38,000.00	26,000.00	20,765.46	4,663.99	570.55	
Sanitation						
Sewer System						
Salaries and Wages	10,000.00	10,000.00	9,937.57		62.43	
Other Expenses	11,000.00	5,000.00	4,777.40	18.59	204.01	
Garbage and Trash Removal						
Salaries and Wages	10,000.00	10,000.00	9,937.46		62.54	
Other Expenses	3,000.00	4,500.00	4,202.00		298.00	
Sanitary Landfill						
Other Expenses	85,000.00	93,000.00	82,110.93	8,122.12	2,766.95	
Recycling						
Salaries and Wages	10,000.00	10,000.00	9,937.48		62.52	
Other Expenses	6,000.00	14,000.00	12,747.82	1,247.44	4.74	
HEALTH AND WELFARE:						
Board of Health						
Salaries and Wages	500.00	500.00	375.00		125.00	
Other Expenses	1,000.00	1,000.00	560.80		439.20	
Parks and Playgrounds						
Other Expenses	30,000.00	42,250.00	41,959.33	190.92	99.75	

(Continued)

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2022

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>		<u>Encumbered</u>	<u>Reserved</u>	
HEALTH AND WELFARE (CONT'D):						
Shade Tree Commission						
Other Expenses	\$ 11,000.00	\$ 18,000.00	\$ 17,893.24		\$ 106.76	
STATE UNIFORM CONSTRUCTION CODE:						
Subcode Officials:						
Construction Official						
Other Expenses	11,500.00	11,067.98	11,067.98			
Electrical Inspector						
Salaries and Wages	9,500.00	9,500.00	9,399.52		100.48	
Fire Inspector						
Salaries and Wages	4,500.00	4,500.00	4,500.00			
Plumbing Official						
Salaries and Wages	4,500.00	5,250.02	5,250.02			
UNCLASSIFIED:						
Utilities:						
Utilities	170,000.00	173,500.00	170,650.43	\$ 2,584.68	264.89	
Total Operations Within "CAPS"	2,443,504.00	2,432,504.00	2,373,871.86	35,608.25	23,023.89	-
Total Operations Including Contingent - within "CAPS"						
Detail:						
Salaries and Wages	1,207,700.00	1,222,799.09	1,219,375.25	-	3,423.84	-
Other Expenses	1,235,804.00	1,209,704.91	1,154,496.61	35,608.25	19,600.05	-

(Continued)

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2022

	Appropriations		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Balance Canceled
<u>DEFERRED CHARGES AND STATUTORY</u>					
<u>EXPENDITURES - MUNICIPAL WITHIN "CAPS":</u>					
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees Retirement Systems	\$ 73,642.00	\$ 73,642.00	\$ 73,642.00		
Police and Fireman's Retirement System of New Jersey	173,721.00	173,721.00	173,721.00		
Social Security System (O.A.S.I.)	78,000.00	80,000.00	79,504.07		\$ 495.93
Unemployment Compensation Insurance	2,500.00	2,500.00	2,500.00		
TOTAL DEFERRED CHARGES AND STATUTORY					
EXPENDITURES - MUNICIPAL WITHIN "CAPS"	327,863.00	329,863.00	329,367.07	-	495.93
TOTAL GENERAL APPROPRIATIONS FOR					
MUNICIPAL PURPOSES WITHIN "CAPS"	2,771,367.00	2,762,367.00	2,703,238.93	\$ 35,608.25	23,519.82
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Recycling Tax	3,400.00	3,400.00			3,400.00
Group Insurance Plan for Employees	1,220.00	1,220.00	1,220.00		
Length of Service Awards Program	11,500.00	16,500.00	13,200.00		3,300.00
Interlocal Service Agreement - Audubon Park Tax Collection Services	3,000.00	3,000.00	1,715.70		1,284.30
Interlocal Service Agreement - Borough of Oaklyn Municipal Court Services	127,000.00	131,000.00	129,803.63		1,196.37
Interlocal Service Agreement - Borough of Westville Administrator Services	60,000.00	60,000.00	48,500.00		11,500.00
Electrical Sub-code Official Services	9,000.00	9,000.00	9,000.00		
Public Works Services	430,000.00	430,000.00	399,328.11		30,671.89
Interlocal Service Agreement - Borough of Bellmawr Emergency Medical Services (EMS)	60,000.00	60,000.00	30,000.00	30,000.00	
Interlocal Service Agreement - Borough of Runnemede Construction Official (N.J.S.A. 40A:4-87, +\$15,000.00)		15,000.00			15,000.00
Electrical Inspector (N.J.S.A. 40A:4-87, +\$14,000.00)		14,000.00	13,341.39		658.61
Interlocal Service Agreement - Borough of Lindenwold Purchasing Agent Services	2,500.00	2,500.00	2,500.00		
Total Other Operations Excluded from "CAPS"	707,620.00	745,620.00	648,608.83	30,000.00	67,011.17

(Continued)

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2022

	Appropriations		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Balance Canceled
<b><u>OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)</u></b>					
Public and Private Programs Offset by Revenues:					
Municipal Alliance on Alcoholism and Drug Abuse					
Recycling Tonnage Grant	\$ 3,120.78	\$ 3,120.78	\$ 3,120.78		
Clean Communities (N.J.S.A. 40A:4-87 +\$4,065.38)		4,065.38	4,065.38		
Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 +\$2,100.00)		2,100.00	2,100.00		
Body Armor Replacement Fund	790.50	790.50	790.50		
Recreation Facilities Enhancement Grant	25,000.00	25,000.00	25,000.00		
Safe & Secure Communities Grant	16,200.00	16,200.00	16,200.00		
Total Public and Private Programs Offset by Revenues	45,111.28	51,276.66	51,276.66	-	-
<b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>	<b>752,731.28</b>	<b>796,896.66</b>	<b>699,885.49</b>	<b>\$ 30,000.00</b>	<b>\$ 67,011.17</b>
Detail:					
Salaries and Wages	16,200.00	20,265.38	20,265.38	-	-
Other Expenses	736,531.28	776,631.28	679,620.11	30,000.00	67,011.17
<b><u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u></b>					
Capital Improvement Fund	15,000.00	15,000.00	15,000.00		
<b>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>	<b>15,000.00</b>	<b>15,000.00</b>	<b>15,000.00</b>	<b>-</b>	<b>-</b>
<b><u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u></b>					
Payment of Bond Application Notes and Capital Notes	172,160.00	172,160.00	172,160.00		
Interest on Notes	5,997.72	5,997.72	5,973.32		\$ 24.40
United States Department of Agriculture:					
Loan Principal	28,720.72	28,720.72	28,720.72		
Interest on Loan	22,523.28	22,523.28	22,523.28		
<b>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>	<b>229,401.72</b>	<b>229,401.72</b>	<b>229,377.32</b>	<b>-</b>	<b>24.40</b>

(Continued)



**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2022

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>		<u>Encumbered</u>	<u>Reserved</u>	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 997,133.00	\$ 1,041,298.38	\$ 944,262.81	\$ 30,000.00	\$ 67,011.17	\$ 24.40
SUBTOTAL GENERAL APPROPRIATIONS	3,768,500.00	3,803,665.38	3,647,501.74	65,608.25	90,530.99	24.40
RESERVE FOR UNCOLLECTED TAXES	163,409.64	163,409.64	163,409.64	-	-	-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 3,931,909.64</u>	<u>\$ 3,967,075.02</u>	<u>\$ 3,810,911.38</u>	<u>\$ 65,608.25</u>	<u>\$ 90,530.99</u>	<u>\$ 24.40</u>
Budget		\$ 3,931,909.64				
Appropriation by N.J.S.A. 40A:4-87		<u>35,165.38</u>				
		<u>\$ 3,967,075.02</u>				
Federal and State Grants - Appropriated			\$ 51,276.66			
Reserve for Uncollected Taxes			163,409.64			
Payroll Deductions Payable			705,747.74			
Disbursed			<u>2,890,477.34</u>			
			<u>\$ 3,810,911.38</u>			

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

**BOROUGH OF BROOKLAWN**  
**TRUST FUNDS**

Comparative Statements of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis  
As of December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	SB-1	\$ 1,003.02	\$ 1,759.32
Total Animal Control Fund		<u>1,003.02</u>	<u>1,759.32</u>
Other Funds:			
Cash	SB-1	257,248.79	299,556.97
Due from Current Fund	SB-5	708.01	
Due from Developer - Escrow Deposit		<u>300.00</u>	<u>300.00</u>
Total Other Funds		<u>258,256.80</u>	<u>299,856.97</u>
Length of Service Awards Program:			
Investments - Length of Service Awards Program	SB-9	<u>22,956.87</u>	<u>11,189.96</u>
Total Length of Service Awards Program		<u>22,956.87</u>	<u>11,189.96</u>
Total Assets		<u><u>\$ 282,216.69</u></u>	<u><u>\$ 312,806.25</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Fund:			
Due to Current Fund	SB-2	\$ 0.53	\$ 0.19
Due to State of New Jersey	SB-3	84.00	
Reserve for Animal Control Fund Expenditures	SB-4	<u>918.49</u>	<u>1,759.13</u>
Total Animal Control Fund		<u>1,003.02</u>	<u>1,759.32</u>
Other Funds:			
Due to Current Fund	SB-5		12,097.56
Due to Federal and State Grant Fund	SB-8	2,100.00	
Reserve for Unemployment Compensation Insurance	SB-6	14,623.60	5,517.01
Miscellaneous Trust Other Reserves	SB-7	<u>241,533.20</u>	<u>282,242.40</u>
Total Other Funds		<u>258,256.80</u>	<u>299,856.97</u>
Length of Service Awards Program:			
Reserve for Length of Service Awards Program	SB-9	<u>22,956.87</u>	<u>11,189.96</u>
Total Length of Service Awards Program		<u>22,956.87</u>	<u>11,189.96</u>
Total Liabilities, Reserves and Fund Balances		<u><u>\$ 282,216.69</u></u>	<u><u>\$ 312,806.25</u></u>

The accompanying notes to financial statements are an integral part of these statements.

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
 Comparative Statements of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis  
 As of December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Cash	SC-1, SC-2	\$ 620,200.77	\$ 382,639.51
Deferred Charges to Future Taxation:			
Funded	SC-3	1,479,984.57	1,508,705.29
Unfunded	SC-4	1,950,750.00	1,460,910.00
Accounts Receivable:			
New Jersey Department of Transportation	SC-5	682,500.00	217,500.00
Due from Current Fund	SC-6		51,710.37
Total Assets		<u>\$ 4,733,435.34</u>	<u>\$ 3,621,465.17</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes	SC-7	\$ 1,630,750.00	\$ 1,460,910.00
United States Department of Agriculture Loan Payable	SC-10	1,479,984.57	1,508,705.29
Improvement Authorizations:			
Funded	SC-11	510,424.25	25,424.25
Unfunded	SC-11	921,968.19	174,347.66
Contracts Payable	SC-12		252,698.74
Reserve for Encumbrances	SC-2	6,288.25	12,580.19
Capital Improvement Fund	SC-8	5,150.28	8,150.28
Reserve for Payment of Debt	SC-13	171,151.24	171,151.24
Due to Current Fund	SC-6	221.04	
General Capital Surplus		<u>7,497.52</u>	<u>7,497.52</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,733,435.34</u>	<u>\$ 3,621,465.17</u>

The accompanying notes to financial statements are an integral part of these statements.

**BOROUGH OF BROOKLAWN****WATER UTILITY FUND**

Comparative Statements of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis

As of December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Operating Fund:			
Cash - Treasurer	SD-1	\$ 136,766.44	\$ 102,292.70
Due from Water Utility Capital Fund	SD-1	<u>89.75</u>	<u>25.19</u>
		<u>136,856.19</u>	<u>102,317.89</u>
Receivables With Full Reserves			
Consumer Accounts Receivable	SD-3	<u>161,026.85</u>	<u>166,154.46</u>
Total Operating Fund		<u>297,883.04</u>	<u>268,472.35</u>
Capital Fund:			
Cash	SD-1	245,405.22	248,195.47
Fixed Capital	SD-5	4,581,448.30	4,581,448.30
Fixed Capital Authorized and Uncompleted	SD-6	<u>330,000.00</u>	<u>235,000.00</u>
Total Capital Fund		<u>5,156,853.52</u>	<u>5,064,643.77</u>
		<u>\$ 5,454,736.56</u>	<u>\$ 5,333,116.12</u>

(Continued)

**BOROUGH OF BROOKLAWN****WATER UTILITY FUND**

Comparative Statements of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis  
As of December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	D-4;SD-7	\$ 570.38	\$ 38,363.86
Reserve for Encumbrances	D-4;SD-7	410.00	19,059.22
Rent Overpayments	SD-4	950.97	143.65
Due to Current Fund	SD-1		98.00
Accrued Interest on Loans and Notes	SD-8	11,043.04	9,291.77
		<u>12,974.39</u>	<u>66,956.50</u>
Reserve for Receivables	D	161,026.85	166,154.46
Fund Balance	D-1	<u>123,881.80</u>	<u>35,361.39</u>
Total Operating Fund		<u>297,883.04</u>	<u>268,472.35</u>
Capital Fund:			
Reserve for Payment of Debt	D	113,322.36	113,322.36
Reserve for Encumbrances	SD-10		3,862.00
Due to Water Utility Operating Fund	SD-2	89.75	25.19
Capital Improvement Fund	SD-9	33,000.00	27,000.00
Accrued Interest on Loans and Notes	SD-8	1,166.93	
Improvement Authorizations			
Unfunded	SD-10	52,441.26	58,601.00
Reserve for Amortization	SD-11	3,496,068.57	3,451,149.30
Deferred Reserve for Amortization	SD-13	19,000.00	
Bond Anticipation Notes	SD-12	281,000.00	230,000.00
U.S.D.A. Loan Payable	SD-14	1,121,080.73	1,141,000.00
Fund Balance	D-2	<u>39,683.92</u>	<u>39,683.92</u>
Total Capital Fund		<u>5,156,853.52</u>	<u>5,064,643.77</u>
		<u>\$ 5,454,736.56</u>	<u>\$ 5,333,116.12</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BOROUGH OF BROOKLAWN****WATER UTILITY FUND**

Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenue and Other Income Realized:		
Operating Surplus Anticipated	\$ 35,000.00	\$ 45,000.00
Rents	485,772.64	430,222.22
Miscellaneous	9,123.08	19,972.51
Water Tower Lease	17,600.00	16,800.00
Water Rent Overpayments Canceled	615.63	22.92
Unexpended Balance of Appropriation Reserves	<u>44,400.74</u>	<u>1,319.46</u>
Total Income	<u>592,512.09</u>	<u>513,337.11</u>
Expenditures:		
Operations:		
Salaries and Wages	130,500.00	95,000.00
Other Expenses	216,649.00	206,500.00
Capital Improvements	10,000.00	30,000.00
Debt Service	67,491.68	95,169.26
Deferred Charges and Statutory Expenditures	44,351.00	53,184.00
Refund of Prior Year Revenue	<u>192.53</u>	<u>192.53</u>
Total Expenditures	<u>468,991.68</u>	<u>480,045.79</u>
Excess in Revenue	123,520.41	33,291.32
Fund Balance January 1	<u>35,361.39</u>	<u>47,070.07</u>
Total	158,881.80	80,361.39
Decreased by:		
Utilization as Anticipated Revenue	<u>35,000.00</u>	<u>45,000.00</u>
Fund Balance December 31	<u><u>\$ 123,881.80</u></u>	<u><u>\$ 35,361.39</u></u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BOROUGH OF BROOKLAWN**  
WATER UTILITY FUND  
Schedule of Capital Fund Balance - Regulatory Basis  
As of December 31, 2022

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Balance December 31, 2022

\$ 39,683.92

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

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2022

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Operating Surplus Anticipated	\$ 35,000.00	\$ 35,000.00	
Water Rents	415,000.00	485,772.64	\$ 70,772.64
Water Tower Lease	16,800.00	17,600.00	800.00
Miscellaneous	<u>2,500.00</u>	<u>9,123.08</u>	<u>6,623.08</u>
	<u><u>\$ 469,300.00</u></u>	<u><u>\$ 547,495.72</u></u>	<u><u>\$ 78,195.72</u></u>

Analysis of Realized Revenue

Miscellaneous:

Interest on Delinquent Accounts  
Miscellaneous Fees  
Interest on Deposits

\$ 4,393.76  
4,116.31  
218.49

8,728.56

Interest on Water Capital Checking Account

394.52

\$ 9,123.08

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



**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2022

	Appropriations		Expended		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Balance Canceled</u>
Operations:					
Salaries and Wages	\$ 125,000.00	\$ 130,500.00	\$ 130,312.39		\$ 187.61
Other Expenses	201,499.00	196,649.00	195,959.17	\$ 410.00	279.83
Annual Audit	20,000.00	20,000.00	20,000.00		
Total Operations	346,499.00	347,149.00	346,271.56	410.00	467.44
Capital Improvements					
Capital Improvement Fund	10,000.00	10,000.00	10,000.00		
Total Capital Improvements	10,000.00	10,000.00	10,000.00	-	-
Debt Service:					
Payment of Loan Principal	19,919.27	19,919.27	19,919.27		
Payment of Bond Anticipation Notes	25,000.00	25,000.00	25,000.00		
Interest on Loans	19,880.73	19,880.73	19,726.77		\$ 153.96
Interest on Notes	3,000.00	3,000.00	2,845.64		154.36
Total Debt Service	67,800.00	67,800.00	67,491.68	-	-
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Surplus - General Budget	35,000.00	35,000.00	35,000.00		
Contribution to:					
Social Security System (O.A.S.I.)	10,000.00	9,350.00	9,248.06		101.94
Unemployment Compensation Insurance	1.00	1.00			1.00
Total Deferred Charges and Statutory Expenditures	45,001.00	44,351.00	44,248.06	-	102.94
Total Water Utility Appropriations	<u>\$ 469,300.00</u>	<u>\$ 469,300.00</u>	<u>\$ 468,011.30</u>	<u>\$ 410.00</u>	<u>\$ 570.38</u>
Interest on Bond and Notes			\$ 22,572.41		
Disbursed			445,438.89		
			<u>\$ 468,011.30</u>		

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

**BOROUGH OF BROOKLAWN**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
Statement of General Fixed Asset Group of Accounts - Regulatory Basis  
For the Year Ended December 31, 2022

	Balance <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2022</u>
General Fixed Assets:				
Land	\$ 1,692,000.00			\$ 1,692,000.00
Building	3,244,400.00			3,244,400.00
Equipment	<u>2,963,574.67</u>	<u>\$ 74,597.13</u>	<u>\$ 140,358.34</u>	<u>2,897,813.46</u>
Total General Fixed Assets	<u>\$ 7,899,974.67</u>	<u>\$ 74,597.13</u>	<u>\$ 140,358.34</u>	<u>\$ 7,834,213.46</u>
 Total Investment in General Fixed Assets	 <u>\$ 7,899,974.67</u>	 <u>\$ 74,597.13</u>	 <u>\$ 140,358.34</u>	 <u>\$ 7,834,213.46</u>

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

**BOROUGH OF BROOKLAWN**  
Notes to Financial Statements  
For the Year Ended December 31, 2022

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Borough of Brooklawn (hereafter referred to as the "Borough") was incorporated as a Borough on April 5, 1924 and is located in southwest New Jersey directly across the Delaware River from the City of Philadelphia. According to the 2020 census, the population is 1,955.

The Borough has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** - The financial statements of the Borough contain all funds and account groups in accordance with the *Requirements of Audit* (the "*Requirements*") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the *Requirements*, the Borough accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

**Current Fund** - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

**Trust Funds** - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

**General Capital Fund** - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

**Water Utility Operating and Capital Funds** - The water utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water operations.

**General Fixed Asset Group of Accounts** - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Budgets and Budgetary Accounting** - The Borough must adopt an annual budget for its current and water utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the Borough's length of service awards program, however, are stated at fair value.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

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 institutional 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 amount of their deposits to the governmental units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**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. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$1,000.00, an amount below the \$5,000.00 maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

**Utility Fixed Assets** - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

**Foreclosed Property** - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

**Deferred Charges** - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**Liens Sold for Other Governmental Units** - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

**Fund Balance** - Fund balances included in the current fund and water utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Camden and the Borough of Brooklawn School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The Borough is responsible for levying, collecting, and remitting school taxes for the Borough of Brooklawn School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2021 and decreased by the amount deferred at December 31, 2022.

**County Taxes** - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Camden. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

**Reserve for Uncollected Taxes** - The inclusion of the "reserve for uncollected taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediately preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

**Expenditures** - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

**Appropriation Reserves** - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Long-Term Debt** - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e., assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Compensated Absences and Postemployment Benefits** - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

The Borough implemented the following GASB Statement for the year ended December 31, 2022:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to measure and disclose a lease liability and a lessor is required to measure and disclose a lease receivable; thereby enhancing the relevance and consistency of information about governments' leasing activities. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. There exists no impact on the financial statements of the Borough.

**Recently Issued Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Statement will become effective for the Borough's year ending December 31, 2023. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

Statement No. 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 Statement will become effective for the Borough in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough 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 Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2022, the Borough's bank balances totaling \$3,679,992.12 were insured by FDIC and GUDPA.

**New Jersey Cash Management Fund** - During the year, the Borough participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2022, the Borough's deposits with the New Jersey Cash Management Fund were \$2,563.80.

**Note 3: PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

**Comparative Schedule of Tax Rates**

	<u>Year Ended</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$ 4.073</u>	<u>\$ 3.928</u>	<u>\$ 4.045</u>	<u>\$ 4.022</u>	<u>\$ 4.033</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.834	\$ 1.834	\$ 1.821	\$ 1.806	\$ 1.781
County	.944	.897	.866	.928	.975
County Open Space Trust Fund	.025	.022	.021	.022	.023
Local School	1.270	1.175	1.337	1.266	1.254



**Note 3: PROPERTY TAXES (CONT'D)**

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2022	\$ 120,416,400.00
2021	116,782,100.00
2020	113,290,900.00
2019	112,956,300.00
2018	113,158,800.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2022	\$ 4,908,872.70	\$ 4,819,263.17	98.17%
2021	4,614,697.84	4,528,793.31	98.14%
2020	4,744,200.44	4,610,438.76	97.18%
2019	4,548,710.67	4,445,030.57	97.72%
2018	4,567,701.36	4,493,666.60	98.38%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	\$ 137,064.86	\$ 67,852.94	\$ 204,917.80	4.17%
2021	125,721.54	74,835.07	200,556.61	4.35%
2020	114,645.04	122,588.73	237,233.77	5.00%
2019	103,545.54	90,427.35	193,972.89	4.26%
2018	92,509.17	61,471.95	153,981.12	3.37%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2022	7
2021	7
2020	5
2019	5
2018	5

**Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 69,700.00
2021	69,700.00
2020	69,700.00
2019	69,700.00
2018	69,700.00

**Note 5: WATER UTILITY SERVICE CHARGES**

The following is a five-year comparison of water utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance</u> <u>Beginning of Year</u> <u>Receivable</u>	<u>Levy</u>	<u>Total</u>	<u>Cash</u> <u>Collections</u>
2022	\$ 166,154.46	\$ 480,645.03	\$ 646,799.49	\$ 485,772.64
2021	44,388.99	551,987.69	596,376.68	430,222.22
2020	2,277.09	444,134.48	446,411.57	402,022.58
2019	5,129.07	425,426.73	430,555.80	428,278.71
2018	110,964.74	339,740.81	450,705.55	445,576.48

**Note 6: FUND BALANCES APPROPRIATED**

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

**Current Fund**

<u>Year</u>	<u>Balance</u> <u>December 31,</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding Year</u>	<u>Percentage</u> <u>of Fund</u> <u>Balance Used</u>
2022	\$ 1,385,091.48	\$ 650,000.00	46.93%
2021	1,590,854.25	585,000.00	36.77%
2020	1,567,030.26	575,000.00	36.69%
2019	1,538,876.24	508,000.00	33.01%
2018	1,398,662.09	450,000.00	32.17%

**Water Utility Fund**

<u>Year</u>	<u>Balance</u> <u>December 31,</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding Year</u>	<u>Percentage</u> <u>of Fund</u> <u>Balance Used</u>
2022	\$ 123,913.34	\$ 35,000.00	28.25%
2021	35,361.39	35,000.00	98.98%
2020	47,070.07	45,000.00	95.60%
2019	138,193.82	91,500.00	66.21%
2018	173,536.63	60,000.00	34.57%

**Note 7: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2022:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 221.57	\$ 708.01
Federal and State Grant	2,100.00	
Trust - Animal Control		0.53
Trust - Other	708.01	2,100.00
General Capital		221.04
Water Utility - Operating	89.75	
Water Utility - Capital		89.75
Totals	<u>\$ 3,119.33</u>	<u>\$ 3,119.33</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2023, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 8: PENSION PLANS**

In May 2023, the New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 68, *Accounting and Financial Reporting for Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2022 was not available for both plans; therefore, the information from the measurement period June 30, 2021 is disclosed below.

A substantial number of the Borough's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, certain Borough employees may be eligible to 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 New Jersey Division of Pensions and Benefits. 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, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position 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.state.nj.us/treasury/pensions/financial-reports.shtml>

**General Information about the Pension Plans****Plan Descriptions**

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

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

**Police and Firemen's Retirement System** - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Borough. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

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 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more 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 the respective tier.

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Police and Firemen's Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

**Tier Definition**

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - The Borough's contractually required contribution rate for the year ended December 31, 2021 was 14.48% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$70,089.00, and is payable by April 1, 2022. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$112,261.00, which was paid on April 1, 2021.

Employee contributions to the Plan for the year ended December 31, 2021 were \$36,297.96.

**Police and Firemen's Retirement System** - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

*Special Funding Situation Component* - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Borough's contractually required contribution rate for the year ended December 31, 2021 was 25.82% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - Based on the most recent PFRS measurement date of June 30, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$167,515.00, and is payable by April 1, 2022. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$146,933.00, which was paid on April 1, 2021.

Employee contributions to the Plan for the year ended December 31, 2021 were \$65,905.70.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2021 was 3.96% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2021 the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2021 was \$25,667.00, and is payable by April 1, 2022. For the prior year measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2020 was \$20,295.00, which was paid on April 1, 2021.

**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Public Employees' Retirement System**

**Pension Liability** - As of December 31, 2021, the Borough's proportionate share of the PERS net pension liability was \$708,990.00. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2021 measurement date, the Borough's proportion was 0.0059848031%, which was a decrease of 0.0042771874% from its proportion measured as of June 30, 2020.



**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

**Pension (Benefit) Expense** - For the year ended December 31, 2021, the Borough's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date was (\$205,750.00). This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the Borough's contribution to PERS was \$112,261.00, and was paid on April 1, 2021.

**Police and Firemen's Retirement System**

**Pension Liability** - As of December 31, 2021, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 1,050,562.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	295,470.00
	<u>\$ 1,346,032.00</u>

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System (Cont'd)**

**Pension Liability** - The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2021 measurement date, the Borough's proportion was 0.0143732415%, which was an increase of 0.0012210008% from its proportion measured as of June 30, 2020. Likewise, at June 30, 2021, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0143730716%, which was an increase of 0.0012208309% from its proportion, on-behalf of the Borough, measured as of June 30, 2020.

**Pension (Benefit) Expense** - For the year ended December 31, 2021, the Borough's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date was (\$149,352.00). This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the Borough's contribution to PFRS was \$146,933.00, and was paid on April 1, 2021.

For the year ended December 31, 2021, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Borough, calculated by the Plan as of the June 30, 2021 measurement date, was \$32,907.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - As of December 31, 2021, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 11,182.00	\$ 11,986.00	\$ 23,168.00	\$ 5,076.00	\$ 125,846.00	\$ 130,922.00
Changes of Assumptions	3,692.00	5,590.00	9,282.00	252,405.00	314,849.00	567,254.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	186,767.00	447,679.00	634,446.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	447,789.00	307,738.00	755,527.00	865,324.00	220,032.00	1,085,356.00
Borough Contributions Subsequent to the Measurement Date	35,045.00	83,758.00	118,803.00	-	-	-
	<u>\$ 497,708.00</u>	<u>\$ 409,072.00</u>	<u>\$ 906,780.00</u>	<u>\$ 1,309,572.00</u>	<u>\$ 1,108,406.00</u>	<u>\$ 2,417,978.00</u>

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Deferred outflows of resources in the amounts of \$35,045.00 and \$83,758.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2022. These amounts were based on an estimated April 1, 2023 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2021 to the Borough's year end of December 31, 2021.

The Borough will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<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, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2017	-	5.00	-	5.00
June 30, 2018	-	5.00	-	5.00
June 30, 2019	-	5.00	-	5.00
June 30, 2020	-	5.00	-	5.00
June 30, 2021	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<b><u>Year Ending Dec 31,</u></b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2022	\$ (256,873.00)	\$ (284,208.00)	\$ (541,081.00)
2023	(184,254.00)	(171,595.00)	(355,849.00)
2024	(157,134.00)	(150,259.00)	(307,393.00)
2025	(225,034.00)	(186,810.00)	(411,844.00)
2026	(23,614.00)	8,361.00	(15,253.00)
Thereafter	-	1,419.00	1,419.00
	<u>\$ (846,909.00)</u>	<u>\$ (783,092.00)</u>	<u>\$ (1,630,001.00)</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: <sup>(1)</sup>		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

<sup>(1)</sup> based on years of service

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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.

**Police and Firemen's Retirement System**

Pre-retirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2021 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Discount Rate -**

**Public Employees' Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

**Police and Firemen's Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.16% as of June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the Borough's proportionate share of the net pension liability as of the June 30, 2021 measurement date, calculated using a discount rate of 7.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 965,500.00</u>	<u>\$ 708,990.00</u>	<u>\$ 491,304.00</u>

**Note 8: PENSION PLANS (CONT'D)****Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of the June 30, 2021 measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
Borough's Proportionate Share of the Net Pension Liability	\$ 1,595,246.00	\$ 1,050,562.00	\$ 597,172.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>448,663.00</u>	<u>295,470.00</u>	<u>167,954.00</u>
	<u><u>\$ 2,043,909.00</u></u>	<u><u>\$ 1,346,032.00</u></u>	<u><u>\$ 765,126.00</u></u>

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, 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.

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Nine Plan Years)***

	<b>Measurement Date Ended June 30,</b>				
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Borough's Proportion of the Net Pension Liability	0.0059848031%	0.0102619905%	0.0076795088%	0.0083947861%	0.0069901204%
Borough's Proportionate Share of the Net Pension Liability	\$ 708,990.00	\$ 1,673,462.00	\$ 1,383,731.00	\$ 1,652,892.00	\$ 1,627,188.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 416,352.00	\$ 693,592.00	\$ 557,776.00	\$ 520,820.00	\$ 484,876.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	170.29%	241.27%	248.08%	317.36%	335.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%
	<b>Measurement Date Ended June 30,</b>				
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	
Borough's Proportion of the Net Pension Liability	0.0093776834%	0.0078995565%	0.0076864518%	0.0079321327%	
Borough's Proportionate Share of the Net Pension Liability	\$ 2,777,401.00	\$ 1,773,292.00	\$ 1,439,114.00	\$ 1,515,988.00	
Borough's Covered Payroll (Plan Measurement Period)	\$ 634,140.00	\$ 545,516.00	\$ 534,796.00	\$ 547,784.00	
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	437.98%	325.07%	269.10%	276.75%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%	



**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Nine Years)***

	Year Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 70,089.00	\$ 112,261.00	\$ 74,699.00	\$ 83,501.00	\$ 64,756.00
Borough's Contribution in Relation to the Contractually Required Contribution	(70,089.00)	(112,261.00)	(74,699.00)	(83,501.00)	(64,756.00)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 483,972.00	\$ 502,944.00	\$ 697,615.00	\$ 550,019.00	\$ 560,715.00
Borough's Contributions as a Percentage of Covered Payroll	14.48%	22.32%	10.71%	15.18%	11.55%
	Year Ended December 31,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Borough's Contractually Required Contribution	\$ 83,310.00	\$ 67,915.00	\$ 63,366.00	\$ 59,767.00	
Borough's Contribution in Relation to the Contractually Required Contribution	(83,310.00)	(67,915.00)	(63,366.00)	(59,767.00)	
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	
Borough's Covered Payroll (Calendar Year)	\$ 499,789.00	\$ 596,213.00	\$ 546,032.00	\$ 524,824.00	
Borough's Contributions as a Percentage of Covered Payroll	16.67%	11.39%	11.60%	11.39%	

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Nine Plan Years)***

	<b>Measurement Date Ended June 30,</b>				
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Borough's Proportion of the Net Pension Liability	0.0143732415%	0.0131522407%	0.0148180804%	0.0130482635%	0.0128201846%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,050,562.00	\$ 1,699,443.00	\$ 1,813,410.00	\$ 1,765,645.00	\$ 1,979,189.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	295,470.00	263,746.00	286,341.00	239,834.00	221,686.00
Total	<u>\$ 1,346,032.00</u>	<u>\$ 1,963,189.00</u>	<u>\$ 2,099,751.00</u>	<u>\$ 2,005,479.00</u>	<u>\$ 2,200,875.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 503,856.00	\$ 503,816.00	\$ 502,232.00	\$ 432,880.00	\$ 401,316.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	208.50%	337.31%	361.07%	407.88%	493.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.26%	63.52%	65.00%	62.48%	58.60%
	<b>Measurement Date Ended June 30,</b>				
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	
Borough's Proportion of the Net Pension Liability	0.0156045217%	0.0136972239%	0.0151974614%	0.0196497222%	
Borough's Proportionate Share of the Net Pension Liability	\$ 2,980,863.00	\$ 2,281,480.00	\$ 1,911,700.00	\$ 2,612,253.00	
State's Proportionate Share of the Net Pension Liability associated with the Borough	250,319.00	200,078.00	205,858.00	243,494.00	
Total	<u>\$ 3,231,182.00</u>	<u>\$ 2,481,558.00</u>	<u>\$ 2,117,558.00</u>	<u>\$ 2,855,747.00</u>	
Borough's Covered Payroll (Plan Measurement Period)	\$ 498,760.00	\$ 433,768.00	\$ 429,188.00	\$ 616,672.00	
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	597.65%	525.97%	445.42%	423.60%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%	

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Nine Years)***

	Year Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 167,515.00	\$ 146,933.00	\$ 149,679.00	\$ 127,566.00	\$ 113,461.00
Borough's Contribution in Relation to the Contractually Required Contribution	(167,515.00)	(146,933.00)	(149,679.00)	(127,566.00)	(113,461.00)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 648,806.00	\$ 537,964.00	\$ 484,546.00	\$ 499,919.00	\$ 442,630.00
Borough's Contributions as a Percentage of Covered Payroll	25.82%	27.31%	30.89%	25.52%	25.63%
	Year Ended December 31,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Borough's Contractually Required Contribution	\$ 127,230.00	\$ 111,338.00	\$ 116,727.00	\$ 143,360.00	
Borough's Contribution in Relation to the Contractually Required Contribution	(127,230.00)	(111,338.00)	(116,727.00)	(143,360.00)	
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	
Borough's Covered Payroll (Calendar Year)	\$ 402,314.00	\$ 443,617.00	\$ 434,269.00	\$ 431,873.00	
Borough's Contributions as a Percentage of Covered Payroll	31.62%	25.10%	26.88%	33.19%	

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

The June 30, 2021 measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the defined contribution retirement program (DCRP) and regular part of PERS into the WCJ Part of PERS.

**Changes in Assumptions**

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

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

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

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

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

***Police and Firemen's Retirement System (PFRS)*****Changes in Benefit Terms**

None

**Changes in Assumptions**

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

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

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

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

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

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

**Note 9: LENGTH OF SERVICE AWARDS PROGRAM**

**Plan Description** - The Borough's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Borough's trust fund, was created by a Borough Resolution adopted on October 19, 2020 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the Borough approved the adoption of the Plan at the general election held on November 5, 2019, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2020. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Borough's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the Brooklawn Fire Company consisting of the volunteer fire department, come from contributions made solely by the governing body of the Borough, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**Plan Amendments** - The Borough may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the Borough, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the Borough's governing body, provided, however, that any amendment required by the IRS, may be adopted by the Borough's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the Borough shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The Borough may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the Borough shall notify all participants in writing prior to making any amendment to the Plan.

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

The Borough elected to contribute between \$600.00 and \$1,200.00 for the year ended December 31, 2022 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2022, the Borough's total expenditure to the Plan was \$13,200.00.

**Note 9: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)**

**Participant Accounts** - Each participant's account is credited with the Borough's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Borough has placed the amounts deferred, including earnings, in an account maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the Borough to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the Borough. These funds, however, are not available for funding the operations of the Borough.

**Vesting** - The Borough, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

**Payment of Benefits** - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

**Forfeited Accounts** - For the year ended December 31, 2022, no accounts were forfeited.

**Investments** - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

**Plan Information** - Additional information about the Borough's length of service awards program can be obtained by contacting the Plan Administrator.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

In May 2023, the New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. As of the date of this report, the information for the measurement period ended June 30, 2022 was not available; therefore, the information from the measurement period June 30, 2021 is disclosed below.

**General Information about the State Health Benefit Local Government Retired Employees Plan**

**Plan Description and Benefits Provided** - The Borough does not provide postemployment benefits to its retirees; however, the State of New Jersey (the "State") provides these benefits to certain Borough retirees and their dependents under a special funding situation as described below.

The State, on-behalf of the Borough, contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit ("OPEB") plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' (the "Division") annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

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.



**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

**Special Funding Situation Component** - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB Plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to disclose in their respective notes to the financial statements, an expense and corresponding revenue, and their proportionate share of the OPEB expense allocated to the State under the special funding situation.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Borough, is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the Borough, is (\$421,544.00) for the year ended December 31, 2021, representing (64.97%) of the Borough's covered payroll.

**OPEB Liability**

At December 31, 2021, the State's proportionate share of the net OPEB liability associated with the Borough was \$3,089,279.00. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

The State's proportion of the net OPEB liability, associated with the Borough, was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2020 through June 30, 2021. For the June 30, 2021 measurement date, the State's proportion on-behalf of the Borough was 0.080005%, which was an increase of 0.034726% from its proportion measured as of the June 30, 2020 measurement date.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021, used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PFRS:	
Rate for all Future Years	3.25% to 15.25%

\* salary increases are based on years of service within the respective Plan

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the valuation were based on the results of the PFRS experience study prepared for July 1, 2013 to June 30, 2018.

100% of active members are considered to participate in the Plan upon retirement.

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. government and agency obligations, commercial paper, corporate obligations and certificates of deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) at the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pays interest to participants on a monthly basis.

**Discount Rate** - The discount rate used to measure the OPEB liability at June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the State. 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.

The health care trend assumptions used is as follows:

Fiscal Year Ending	Annual Rate of Increase			
	Medical Trend			Prescription
	Pre-65	PPO Post-65	HMP Post-65	Drug Trend
2021	5.65%	13.08%	13.76%	6.75%
2022	5.55%	3.34%	3.22%	6.50%
2023	5.45%	0.52%	0.17%	6.25%
2024	5.35%	7.56%	7.79%	6.00%
2025	5.20%	14.43%	15.23%	5.50%
2026	5.00%	12.55%	13.19%	5.00%
2027	4.75%	8.95%	9.29%	4.75%
2028	4.50%	5.92%	6.04%	4.50%
2029	4.50%	5.38%	5.46%	4.50%
2030	4.50%	4.86%	4.89%	4.50%
2031	4.50%	4.55%	4.56%	4.50%
2032 and Later	4.50%	4.50%	4.50%	4.50%

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The net OPEB liability, calculated using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	<b>1% Decrease (1.16%)</b>	<b>Current Discount Rate (2.16%)</b>	<b>1% Increase (3.16%)</b>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	<u>\$ 3,635,489.00</u>	<u>\$ 3,089,279.00</u>	<u>\$ 2,656,396.00</u>

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	<u>\$ 2,577,499.00</u>	<u>\$ 3,089,279.00</u>	<u>\$ 3,757,088.00</u>

**OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Supplementary OPEB Information (Cont'd)****Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the Borough (Last Five Plan Years)**

	Measurement Date Ended June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Borough	100.00%	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%
Borough's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Borough	3,089,279.00	2,473,276.00	2,038,880.00	2,405,441.00	3,123,914.00
Total	\$ 3,089,279.00	\$ 2,473,276.00	\$ 2,038,880.00	\$ 2,405,441.00	\$ 3,123,914.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 616,834.00	\$ 474,316.00	\$ 508,754.00	\$ 474,993.00	\$ 424,930.00
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	500.83%	521.44%	400.76%	506.42%	735.16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.91%	1.98%	1.97%	1.03%

**Other Notes to Supplementary OPEB Information**

**Changes in Benefit Terms** - The actuarial valuation as of June 30, 2020 included changes due to employers adopting and/or changing Chapter 48 provisions.

**Changes in Assumptions** - The discount rate used as of the June 30 measurement date is as follows:

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

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated mortality improvement assumptions.

In October 2021, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2021. The MP-2021 scale reflects more recent mortality data for the U.S. population.

**Note 11: COMPENSATED ABSENCES**

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated, up to a maximum of sixty days, and carried forward to subsequent years. After accumulating sixty days, an employee may sell back a maximum of ten days per year at seventy-five percent of the employee's normal rate of pay. Vacation days are earned based on a schedule detailed in the Borough's policy manual. A maximum of five days not used during the year may be carried forward into the subsequent year. Vacation days must be used in that year or forfeited.

The Borough compensates employees for unused sick leave and vacation upon termination or retirement. The Borough's policy manual details the various payment options. The maximum pay-out, per the policy manual, is \$15,000.00 payable upon termination or retirement.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2022, accrued benefits for compensated absences are valued at \$216,691.70.

**Note 12: DEFERRED COMPENSATION SALARY ACCOUNT**

The Borough offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

**Note 13: CAPITAL DEBT****United States Department of Agriculture Loan (USDA)**

On May 1, 2020, the Borough settled on a \$1,537,000.00 USDA Loan, with an interest rate of 1.50%. The loan was issued for the purpose of permanently funding a sewer capital project in the Borough. The final maturity of the loan is May 1, 2060.

On July 20, 2021, the Borough settled on a \$1,141,000.00 USDA Loan, with an interest rate of 1.75%. The loan was issued for the purpose of permanently funding a water utility capital project in the Borough. The final maturity of the loan is July 21, 2061.

The following schedule represents the remaining debt service, through maturity, for the Borough's USDA Loans:

**General Capital - USDA Loans**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 29,153.15	\$ 22,090.85	\$ 51,244.00
2024	29,592.08	21,651.92	51,244.00
2025	30,037.63	21,206.37	51,244.00
2026	30,489.89	20,754.11	51,244.00
2027	30,948.95	20,295.05	51,244.00
2028-2032	161,876.28	94,343.72	256,220.00
2033-2037	174,435.04	81,784.96	256,220.00
2038-2042	187,968.16	68,251.84	256,220.00
2043-2047	202,551.20	53,668.80	256,220.00
2048-2052	218,265.66	37,954.34	256,220.00
2053-2057	235,199.25	21,020.75	256,220.00
2058-2060	149,467.28	3,941.94	153,409.22
Totals	<u>\$ 1,479,984.57</u>	<u>\$ 466,964.65</u>	<u>\$ 1,946,949.22</u>

**Water Capital - USDA Loans**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 20,269.38	\$ 19,530.62	\$ 39,800.00
2024	20,625.64	19,174.36	39,800.00
2025	20,988.18	18,811.82	39,800.00
2026	21,357.07	18,442.93	39,800.00
2027	21,732.46	18,067.54	39,800.00
2028-2032	114,528.07	84,471.93	199,000.00
2033-2037	124,953.23	74,046.77	199,000.00
2038-2042	136,327.33	62,672.67	199,000.00
2043-2047	148,736.78	50,263.22	199,000.00
2048-2052	162,275.84	36,724.16	199,000.00
2053-2057	177,047.31	21,952.69	199,000.00
2058-2061	152,239.44	6,027.16	158,266.60
Totals	<u>\$ 1,121,080.73</u>	<u>\$ 430,185.87</u>	<u>\$ 1,551,266.60</u>

**Note 13: CAPITAL DEBT (CONT'D)**

The following schedule represents the Borough's summary of debt for the current and two previous years:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 3,110,734.57	\$ 2,969,615.29	\$ 2,706,190.00
Water Utility:			
Bonds, Loans and Notes	1,402,080.73	1,371,000.00	1,755,380.00
Total Issued	<u>4,512,815.30</u>	<u>4,340,615.29</u>	<u>4,461,570.00</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	320,000.00		
Total Authorized but not Issued	<u>320,000.00</u>	<u>-</u>	<u>-</u>
Total Issued and Authorized but not Issued	<u>4,832,815.30</u>	<u>4,340,615.29</u>	<u>4,461,570.00</u>
<b><u>Deductions</u></b>			
General:			
Reserve for Payment of Notes	171,151.24	171,151.24	82,791.69
Water Utility:			
Self-Liquidating	1,402,080.73	1,371,000.00	1,755,380.00
Total Deductions	<u>1,573,231.97</u>	<u>1,542,151.24</u>	<u>1,838,171.69</u>
<b><u>Net Debt</u></b>	<u>\$ 3,259,583.33</u>	<u>\$ 2,798,464.05</u>	<u>\$ 2,623,398.31</u>

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 2.345%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 1,400,000.00	\$ 1,400,000.00	
Self-Liquidating	1,402,080.73	1,402,080.73	
General	3,430,734.57	171,151.24	\$ 3,259,583.33
	<u>\$ 6,232,815.30</u>	<u>\$ 2,973,231.97</u>	<u>\$ 3,259,583.33</u>

Net debt \$3,259,583.33 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$139,014,280.00, equals 2.345%.

**Note 13: CAPITAL DEBT (CONT'D)****Summary of Statutory Debt Condition - Annual Debt Statement****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$	4,865,499.80
Less: Net Debt		<u>3,259,583.33</u>
Remaining Borrowing Power	\$	<u>1,605,916.47</u>

**Calculation of "Self-Liquidating Purpose,"  
Water Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$	547,495.72
Deductions:		
Operating and Maintenance Costs	\$	391,500.00
Debt Service		<u>67,460.14</u>
Total Deductions		<u>458,960.14</u>
Deficit in Revenue	\$	<u>88,535.58</u>

The foregoing debt information agrees with the Annual Debt Statement filed by the Chief Financial Officer.

**Note 14: SCHOOL TAXES**

Local School District tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<b><u>Balance December 31,</u></b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
Balance of Tax	\$ 770,218.50	\$ 690,840.50
Deferred	<u>764,912.00</u>	<u>686,359.00</u>
Taxes Payable	<u>\$ 5,306.50</u>	<u>\$ 4,481.50</u>



**Note 15: RISK MANAGEMENT**

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

**New Jersey Unemployment Compensation Insurance** - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough 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 Borough is billed quarterly for amounts due to the State.

The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 10,500.00	\$ 19.60	\$ 1,413.01	\$ 14,623.60
2021	2,500.00	6.06	2,658.10	5,517.01
2020		25.77	1,794.43	5,669.05

There are no unreimbursed payments on behalf of the Borough at December 31, 2022.

**Joint Insurance Pool** - The Borough of Brooklawn is a member of the Camden County Municipal Joint Insurance Fund (the "Fund"). The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability  
General Liability Other Than Motor Vehicles  
Property Damage Other Than Motor Vehicles  
Motor Vehicles Liability and Damage

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation  
Excess General Liability  
Non-Owned Aircraft Liability  
Excess Auto Liability  
Fidelity and Performance (Blanket)  
Excess Property including Boiler and Machinery  
Crime including Excess Public Employee and Public Official Coverage

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Borough's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Camden County Municipal Joint Insurance Fund  
9 Campus Drive, Suite 16  
Parsippany, New Jersey 07054

**Note 16: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amount, if any, to be immaterial.

**Litigation** - The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Note 17: CONCENTRATIONS**

The Borough depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 18: SUBSEQUENT EVENTS**

**COVID-19** - On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Borough's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Borough is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2023.

**Authorization of Debt** - Subsequent to December 31, the Borough authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
<b>General Improvements</b>		
Various Capital Equipment and Various Capital Improvements	5/15/2023	\$ 712,500.00
<b>Water Capital Improvements</b>		
Water Plant Rehabilitation, Renovations and Improvements	5/15/2023	190,000.00

## **SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Current Cash - Treasurer  
For the Year Ended December 31, 2022

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2021	\$ 1,938,796.56	\$ 257,983.80
Increased by Receipts:		
Taxes Receivable	\$ 4,798,287.22	
Prepaid Taxes	86,272.66	
Tax Overpayments	16,419.12	
Due to State of New Jersey:		
Senior Citizens and Veterans Deductions	12,608.56	
Marriage License Fees	150.00	
State Training Fees	2,316.00	
Rents Receivable - Borough-Owned Homes	352,570.00	
Prepaid Rents on Borough Owned Homes	3,990.00	
Revenue Accounts Receivable	647,972.26	
Reserve for Municipal Relief Fund	10,407.16	
Interlocal Service Agreements	113,878.35	
Miscellaneous Revenue Not Anticipated	77,485.84	
Due from Trust - Other Fund	12,805.57	
Due from Water Utility Operating Fund	98.00	
Due to Camden County M.U.A.	34,567.17	
Petty Cash (Contra)	200.00	
Federal and State Grants Fund:		
Federal and State Grants Receivable		135,027.02
	<u>6,170,027.91</u>	<u>135,027.02</u>
Carried Forward	8,108,824.47	393,010.82

(Continued)

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Current Cash - Treasurer  
For the Year Ended December 31, 2022

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Brought Forward	\$ 8,108,824.47	\$ 393,010.82
Decreased by Disbursements:		
2021 Appropriation Reserves	\$ 93,074.81	
2022 Appropriations	2,890,477.34	
County Taxes	1,165,705.37	
Due to County Added and Omitted Taxes	6,427.15	
Tax Overpayments	126.02	
Due State of New Jersey - Marriage License Fees	275.00	
Due State of New Jersey - State Training Fees	1,752.00	
Due from Trust - Animal Control Fund	0.34	
Due from General Capital Fund	51,931.41	
Local District School Tax	1,450,446.00	
Payroll Deductions Payable	709,850.69	
Petty Cash (Contra)	200.00	
Due to Camden County M.U.A.	34,567.17	
Federal and State Grants Fund:		
Reserve for Federal and State Grants--Appropriated		<u>80,575.00</u>
	<u>6,404,833.30</u>	
Balance December 31, 2022	<u><u>\$ 1,703,991.17</u></u>	<u><u>\$ 312,435.82</u></u>

**BOROUGH OF BROOKLAWN**  
CURRENT FUND  
Schedule of Change Funds  
As of December 31, 2022

<hr/>	
Balance December 31, 2022	<u><u>\$ 240.00</u></u>
	Analysis of Balance
Collector - Treasurer	\$ 100.00
Police	30.00
Municipal Court	<u>110.00</u>
	<u><u>\$ 240.00</u></u>

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Taxes Receivable and Analysis of Property Tax Levy  
For the Year Ended December 31, 2022

<u>Year</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>2022 Levy</u>	<u>Added</u> <u>Taxes</u>	<u>Collections</u> <u>2021</u>	<u>2022</u>	<u>Due from State of</u> <u>New Jersey</u>	<u>Overpayments</u> <u>Applied</u>	<u>Canceled</u>	<u>Transfers</u>	<u>Transfer to</u> <u>Liens</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Arrears									\$ 7,040.41		\$ 7,040.41
2021	\$ 74,835.07		\$ 500.00		\$ 71,274.90				(4,060.17)		
2022	-	\$ 4,908,872.70		\$ 58,848.50	4,727,012.32	\$ 13,379.79	\$ 20,022.56	\$ 14,473.44	(2,980.24)	\$ 11,343.32	60,812.53
	<u>\$ 74,835.07</u>	<u>\$ 4,908,872.70</u>	<u>\$ 500.00</u>	<u>\$ 58,848.50</u>	<u>\$ 4,798,287.22</u>	<u>\$ 13,379.79</u>	<u>\$ 20,022.56</u>	<u>\$ 14,473.44</u>	<u>-</u>	<u>\$ 11,343.32</u>	<u>\$ 67,852.94</u>

Analysis of 2022 Property Tax Levy

Tax Yield:

General Property Tax	\$ 4,904,559.97
Added Taxes (54:4-63.1 et. seq.)	<u>4,312.73</u>
	<u>\$ 4,908,872.70</u>

Tax Levy:

Local School District Tax (Abstract) \$ 1,529,824.00

County Taxes:

County Tax (Abstract)	\$ 1,065,455.84
County Library	70,619.59
Open Space	29,629.94
Due County for Added/Omitted Taxes	<u>1,025.07</u>

Total County Taxes 1,166,730.44

Local Tax for Municipal Purposes 2,208,300.00  
Add: Additional Tax Levied 4,018.26

2,212,318.26

\$ 4,908,872.70



**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Tax Title Liens  
For the Year Ended December 31, 2022

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Balance December 31, 2021	\$ 125,721.54
Increased by:	
Transfer from 2022 Taxes Receivable	<u>11,343.32</u>
Balance December 31, 2022	<u><u>\$ 137,064.86</u></u>

## Exhibit SA-5

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Due to State of New Jersey  
Veterans' and Senior Citizens' Deductions  
For the Year Ended December 31, 2022

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Balance December 31, 2021	\$ 17,465.00
Increased by:	
Received from State of New Jersey	<u>12,608.56</u>
	30,073.56
Accrued in 2021 to Municipality:	
Senior Citizens' Deductions per Tax Billings	\$ 3,250.00
Veterans' Deductions per Tax Billings	9,750.00
Deductions Allowed by Collector - 2022 Taxes	<u>625.00</u>
	13,625.00
Deduct:	
Deductions Disallowed by Collector - 2022 Taxes	<u>245.21</u>
Subtotal 2022 Tax Accrual	13,379.79
Deduct:	
Deductions Disallowed by Collector - Prior Taxes	<u>500.00</u>
	<u>12,879.79</u>
Balance December 31, 2022	<u><u>\$ 17,193.77</u></u>

**BOROUGH OF BROOKLAWN**  
CURRENT FUND  
Statement of Rents Receivable - Borough Owned Homes  
For the Year Ended December 31, 2022

<hr/>	
Balance December 31, 2021	\$ 60,197.51
Increased by:	
2022 Rental Charges and Late Fees	<u>325,190.00</u>
	385,387.51
Decreased by:	
Receipts	<u>352,570.00</u>
Balance December 31, 2022	<u><u>\$ 32,817.51</u></u>

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2022

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Accrued</u> <u>In 2022</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Miscellaneous Revenue Anticipated:				
Licenses:				
Alcoholic Beverages		\$ 12,650.00	\$ 12,650.00	
Other		6,460.19	6,460.19	
Construction Code Official:				
Fees and Permits		33,601.00	33,601.00	
Municipal Court:				
Fines and Costs	\$ 5,199.17	50,953.07	53,981.40	\$ 2,170.84
Interest on Bank Accounts - General and Bail	0.91	10.39	9.62	1.68
Interest and Costs on Taxes		19,354.03	19,354.03	
Interest on Investments		4,870.76	4,870.76	
Uniform Fire Safety Act:				
Fees and Permits		115.00	115.00	
Hotel/Motel Tax		55,498.58	55,498.58	
Rental Registration Fees		22,720.00	22,720.00	
Uniform Fire Safety Act		6,543.56	6,543.56	
Utility Operating Surplus of Prior Year		35,000.00	35,000.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)		199,509.00	199,509.00	
Rental of Community Center		9,769.00	9,769.00	
Sewer Service Fees		187,890.12	187,890.12	
	<u>\$ 5,200.08</u>	<u>\$ 644,944.70</u>	<u>\$ 647,972.26</u>	<u>\$ 2,172.52</u>

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2022

	<u>Balance December 31, 2021</u>		<u>Balance</u>	<u>Cash</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u>	<u>Disbursed</u>	<u>Lapsed</u>
			<u>Modification</u>		
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages					
Municipal Clerk's Office		\$ 1,489.95	\$ 1,489.95		\$ 1,489.95
Other Expenses					
Printing and Legal		1,224.81	1,224.81		1,224.81
Mayor and Council		822.87	822.87		822.87
Miscellaneous Other Expenses	\$ 713.47	1,256.01	1,969.48	\$ 701.64	1,267.84
Elections					
Other Expenses		278.15	278.15		278.15
Financial Administration					
Salaries and Wages:					
Treasurer's Office		778.90	778.90		778.90
Chief Financial Officer		31.56	31.56		31.56
Assessment of Taxes					
Salaries and Wages		0.04	0.04		0.04
Other Expenses	481.10	2.95	484.05	453.92	30.13
Collection of Taxes					
Salaries and Wages		150.14	150.14		150.14
Other Expenses	100.00	265.85	365.85		365.85
Legal Services					
Other Expenses	647.50	3,431.96	4,079.46		4,079.46
Engineering Services and Costs					
Other Expenses		5,885.00	5,885.00		5,885.00
Public Buildings and Grounds					
Other Expenses	20,076.05	179.73	20,255.78	19,596.05	659.73
Administration of Borough-Owned Homes					
Salaries and Wages		684.25	684.25		684.25
Maintenance of Borough-Owned Homes					
Salaries and Wages		4,928.16	4,928.16		4,928.16
Other Expenses	203.02	838.02	1,041.04	171.81	869.23

(Continued)

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2022

	<u>Balance December 31, 2021</u>		<u>Balance</u>	<u>Cash</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u>	<u>Disbursed</u>	<u>Lapsed</u>
			<u>Modification</u>		
GENERAL GOVERNMENT (CONT'D)					
Municipal Land Use Law ( N.J.S.A. 40:55D-1)					
Planning & Zoning Boards					
Salaries and Wages		\$ 100.90	\$ 100.90		\$ 100.90
Other Expenses		130.00	130.00		130.00
Group Insurance Plan for Employees		10,149.96	10,149.96		10,149.96
Health Benefit Waiver		698.14	698.14		698.14
Other Insurance Premiums		478.04	478.04		478.04
Animal Control					
Other Expenses	\$ 300.00	328.11	628.11	\$ 300.00	328.11
Celebration of Public Events					
Other Expenses		1,571.93	1,571.93		1,571.93
PUBLIC SAFETY					
Fire Prevention					
Salaries and Wages		30.04	30.04		30.04
Other Expenses	1,469.00	516.16	1,985.16	1,268.79	716.37
Police					
Salaries and Wages		2,003.94	2,003.94		2,003.94
Other Expenses	6,476.01	518.54	6,994.55	6,152.84	841.71
Fire					
Other Expenses	3,978.60	402.78	4,381.38	3,913.60	467.78
Municipal Code Enforcement Official					
Salaries and Wages		2,408.88	2,408.88		2,408.88
Other Expenses		1,176.34	1,176.34		1,176.34
Office of Emergency Management					
Other Expenses		203.05	203.05		203.05
Traffic Signal					
Other Expenses		605.59	605.59		605.59

(Continued)

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2022

	<u>Balance December 31, 2021</u>		<u>Balance</u>	<u>Cash</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u>	<u>Disbursed</u>	<u>Lapsed</u>
			<u>Modification</u>		
GENERAL GOVERNMENT (CONT'D)					
STREETS AND ROADS					
Road Repairs & Maintenance					
Salaries and Wages		\$ 496.00	\$ 496.00		\$ 496.00
Other Expenses	\$ 3,173.09	95.81	3,268.90	\$ 3,173.09	95.81
Vehicle Maintenance					
Other Expenses	1,147.28	428.29	1,575.57	1,147.28	428.29
SANITATION					
Sewer System					
Salaries and Wages		496.00	496.00		496.00
Other Expenses	9,046.61	530.43	9,577.04	9,039.46	537.58
Garbage & Trash Removal					
Salaries and Wages		496.00	496.00		496.00
Other Expenses		1,150.00	1,150.00		1,150.00
Sanitary Landfill					
Other Expenses	7,257.34	1,551.06	8,808.40	6,357.29	2,451.11
Recycling					
Salaries and Wages		496.00	496.00		496.00
Other Expenses		1,563.89	1,563.89		1,563.89
HEALTH AND WELFARE					
Board of Health					
Salaries and Wages		500.00	500.00		500.00
Other Expenses		1,000.00	1,000.00		1,000.00
Parks & Playgrounds					
Other Expenses	6,962.00	1,888.34	8,850.34	6,962.00	1,888.34
Shade Tree Commission					
Other Expenses	250.00	4.03	254.03		254.03

(Continued)

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2022

	<u>Balance December 31, 2021</u>		<u>Balance</u>	<u>Cash</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u> <u>Modification</u>	<u>Disbursed</u>	<u>Lapsed</u>
GENERAL GOVERNMENT (CONT'D)					
STATE UNIFORM CONSTRUCTION CODE					
Subcode Officials:					
Building Inspector					
Salaries and Wages		\$ 951.56	\$ 951.56		\$ 951.56
Electrical Inspector					
Salaries and Wages		481.03	481.03		481.03
Fire Inspector					
Salaries and Wages		1.04	1.04		1.04
Plumbing Official					
Salaries and Wages		3.04	3.04		3.04
UTILITIES					
Utilities	\$ 3,390.37	2,214.54	5,604.91	\$ 2,587.04	3,017.87
STATUTORY EXPENDITURES					
Contribution to:					
Social Security System (O.A.S.I.)		2,565.35	2,565.35		2,565.35
OPERATIONS EXCLUDED FROM "CAPS"					
Recycling Tax		3,400.00	3,400.00		3,400.00
Length of Service Awards Program		575.00	575.00		575.00
Interlocal Service Agreement - Borough of Oaklyn					
Municipal Court Services	31,250.00	701.40	31,951.40	31,250.00	701.40
Public and Private Programs Offset by Revenues:					
Municipal Alliance on Alcoholism and Drug Abuse		1,678.10	1,678.10		1,678.10
	<u>\$ 96,921.44</u>	<u>\$ 66,837.66</u>	<u>\$ 163,759.10</u>	<u>\$ 93,074.81</u>	<u>\$ 70,684.29</u>

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Due State of New Jersey - Marriage License Fees  
For the Year Ended December 31, 2022

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Balance December 31, 2021	\$ 150.00
Increased by:	
Receipts	<u>150.00</u>
	300.00
Decreased by:	
Disbursements	<u>275.00</u>
Balance December 31, 2022	<u><u>\$ 25.00</u></u>

## Exhibit SA-10

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Due to State of New Jersey - State Training Fees Payable  
For the Year Ended December 31, 2022

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Balance December 31, 2021	\$ 116.00
Increased by:	
Receipts	<u>2,316.00</u>
	2,432.00
Decreased by:	
Disbursements	<u>1,752.00</u>
Balance December 31, 2022	<u><u>\$ 680.00</u></u>



**BOROUGH OF BROOKLAWN**  
CURRENT FUND  
Statement of Reserve for Payroll Deductions Payable  
For the Year Ended December 31, 2022

<hr/>	
Balance December 31, 2021	\$ 28,729.48
Increased by:	
Payroll Deductions	<u>705,747.74</u>
	734,477.22
Decreased by:	
Disbursements	<u>709,850.69</u>
Balance December 31, 2022	<u><u>\$ 24,626.53</u></u>

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2022

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Balance December 31, 2021	\$ 58,848.50
Increased by:	
Collection - 2023 Taxes	<u>86,272.66</u>
	145,121.16
Decreased by:	
Application to 2022 Taxes	<u>58,848.50</u>
Balance December 31, 2022	<u><u>\$ 86,272.66</u></u>

## Exhibit SA-13

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2022

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Balance December 31, 2021	\$ 16,495.21
Increased by:	
Cash Received	<u>16,419.12</u>
	32,914.33
Decreased by:	
Refund of Overpayments	\$ 126.02
Overpayments Applied - 2022	<u>20,022.56</u>
	<u>20,148.58</u>
Balance December 31, 2022	<u><u>\$ 12,765.75</u></u>

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of County Taxes Payable  
For the Year Ended December 31, 2022

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2022 Levy -	
County General	\$ 1,065,455.84
County Library	70,619.59
Open Space	<u>29,629.94</u>
	1,165,705.37
Decreased by:	
Disbursements	<u><u>\$ 1,165,705.37</u></u>

## Exhibit SA-15

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Amount Due to County for Added Taxes  
For the Year Ended December 31, 2022

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Balance December 31, 2021	\$ 6,427.15
Increased by:	
Added & Omitted Taxes Levied in 2022	<u>1,025.07</u>
	7,452.22
Decreased by:	
Disbursements	<u>6,427.15</u>
Balance December 31, 2022	<u><u>\$ 1,025.07</u></u>

## Exhibit SA-16

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Prepaid Rents on Borough Owned Homes  
For the Year Ended December 31, 2022

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Increased by:	
Collection - 2023 Rents	<u>\$ 3,990.00</u>
Balance December 31, 2022	<u><u>\$ 3,990.00</u></u>

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
Statement of Local District School Taxes  
For the Year Ended December 31, 2022

Balance December 31, 2021			
School Taxes Payable	\$	4,481.50	
School Taxes Deferred		<u>686,359.00</u>	
			\$ 690,840.50
Increased by:			
Levy - School Year July 1, 2022 to June 30, 2023			<u>1,529,824.00</u>
			2,220,664.50
Decreased by:			
Disbursements			<u>1,450,446.00</u>
Balance December 31, 2022			
School Taxes Payable		5,306.50	
School Taxes Deferred		<u>764,912.00</u>	
			<u><u>\$ 770,218.50</u></u>
<u>2022 Liability for Local District School Tax:</u>			
Tax Paid			\$ 1,450,446.00
Add:			
Taxes Payable December 31, 2022			<u>5,306.50</u>
			1,455,752.50
Less:			
Taxes Payable December 31, 2021			<u>4,481.50</u>
Amount Charged to 2022 Operations			<u><u>\$ 1,451,271.00</u></u>

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
 Federal and State Grant Fund  
 Statement of Federal and State Grants Receivable  
 For the Year Ended December 31, 2022

<u>Program</u>	<u>Balance Dec. 31, 2021</u>	<u>Accrued</u>	<u>Cash Received</u>	<u>Balance Dec. 31, 2022</u>
Federal Grants:				
Local Fiscal Recovery Fund		\$ 99,330.46	\$ 99,330.46	
Total Federal Grants	-	99,330.46	99,330.46	-
State Grants:				
Body Armor Replacement Grant		1,720.24	1,720.24	
Clean Communities Program		4,065.38	4,065.38	
Drunk Driving Enforcement Grant		2,100.00	2,100.00	
Safe & Secure Communities Grant		16,200.00	16,200.00	
Recycling Tonnage Grant	\$ 3,125.13	3,120.78	5,235.94	\$ 1,009.97
Total State Grants	3,125.13	27,206.40	29,321.56	1,009.97
Camden County:				
Recreation Enhancement Grant - Community Garden		25,000.00	8,475.00	16,525.00
Recreation Enhancement Grant - Ballfields #1 & #2	50,000.00			50,000.00
Total Camden County Grants	50,000.00	25,000.00	8,475.00	66,525.00
Total All Grants	\$ 53,125.13	\$ 151,536.86	\$ 137,127.02	\$ 67,534.97
Collected by Federal and State Grant Fund			\$ 135,027.02	
Collected by Trust Other Fund			2,100.00	
			<u>\$ 137,127.02</u>	

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
 Federal and State Grant Fund  
 Statement of Reserve for State Grants - Unappropriated  
 For the Year Ended December 31, 2022

<u>Program</u>	<u>Balance Dec. 31, 2021</u>	<u>Federal and State Grants Receivable</u>	<u>Realized as Miscellaneous Revenue in 2022 Budget</u>	<u>Balance Dec. 31, 2022</u>
Federal Grants:				
Local Fiscal Recovery Fund	\$ 99,330.46	\$ 99,330.46		\$ 198,660.92
Total Federal Grants	99,330.46	99,330.46	-	198,660.92
State Grants:				
Body Armor Replacement Grant		1,720.24	\$ 790.50	929.74
Clean Communities Program		4,065.38	4,065.38	
Drunk Driving Enforcement Grant		2,100.00	2,100.00	
Safe & Secure Communities Grant		16,200.00	16,200.00	
Recycling Tonnage Grant		3,120.78	3,120.78	
Total State Grants	-	27,206.40	26,276.66	929.74
Camden County:				
Recreation Enhancement Grant - Community Garden	-	25,000.00	25,000.00	-
Total All Grants	\$ 99,330.46	\$ 151,536.86	\$ 51,276.66	\$ 199,590.66

**BOROUGH OF BROOKLAWN**  
**CURRENT FUND**  
 Federal and State Grant Fund  
 Statement of Reserves for Federal and State Grants - Appropriated  
 For the Year Ended December 31, 2022

<u>Program</u>	<u>Dec. 31, 2021</u> <u>Balance</u>	Transferred from <u>2022 Budget</u> <u>Appropriation</u>	<u>Disbursed</u>	<u>Encumbered</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Federal Grants:					
Bulletproof Vest Partnership	\$ 1,255.01				\$ 1,255.01
Total Federal Grants	1,255.01	-	-	-	1,255.01
State Grants:					
Body Armor Replacement Fund	6,407.23	\$ 790.50		\$ 573.19	6,624.54
Recycling Tonnage Grant	38,398.85	3,120.78			41,519.63
Safe and Secure Grant	79,113.48	16,200.00	\$ 45,000.00		50,313.48
Drunk Driving Enforcement Grant	2,035.00	2,100.00	2,100.00		2,035.00
Clean Communities Grant		4,065.38			4,065.38
New Jersey Prevention Network	3,000.00				3,000.00
Municipal Alliance on Alcoholism and Drug Abuse	29,991.14				29,991.14
Total State Grants	158,945.70	26,276.66	47,100.00	573.19	137,549.17
Camden County:					
Recreation Enhancement Grant	1,504.10				1,504.10
Recreation Enhancement Grant - Community Garden		25,000.00	8,475.00		16,525.00
Recreation Enhancement Grant - Ballfields #1 & #2	50,000.00		25,000.00		25,000.00
Total Camden County Grants	51,504.10	25,000.00	33,475.00	-	43,029.10
Total All Grants	\$ 211,704.81	\$ 51,276.66	\$ 80,575.00	\$ 573.19	\$ 181,833.28

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**



**BOROUGH OF BROOKLAWN**  
**TRUST FUNDS**  
Statement of Trust Cash - Treasurer  
For the Year Ended December 31, 2022

	<u>Animal Control Fund</u>	<u>Trust - Other</u>
Balance December 31, 2021	\$ 1,759.32	\$ 299,556.97
Increased by Receipts:		
Due to State of New Jersey	\$ 204.60	
Reserve for Animal Control Fund Expenditures	2,097.40	
Due Current Fund	4,000.34	
Due Federal and State Grant Fund		\$ 2,100.00
Reserve for Unemployment Compensation Insurance		10,519.60
Miscellaneous Trust Reserves		<u>300,112.47</u>
	<u>6,302.34</u>	<u>312,732.07</u>
	8,061.66	612,289.04
Decreased by Disbursements:		
Due Current Fund		12,805.57
Due to State of New Jersey	120.60	
Reserve for Animal Control Fund Expenditures	6,938.04	
Reserve for Unemployment Compensation Insurance		1,413.01
Miscellaneous Trust Reserves		<u>340,821.67</u>
	<u>7,058.64</u>	<u>355,040.25</u>
Balance December 31, 2022	<u><u>\$ 1,003.02</u></u>	<u><u>\$ 257,248.79</u></u>

**BOROUGH OF BROOKLAWN**  
TRUST FUNDS -- ANIMAL CONTROL  
Statement of Due to Current Fund  
For the Year Ended December 31, 2022

---

Balance December 31, 2021	\$ 0.19
Increased by:	
Receipts:	
Interfunds Received	<u>4,000.34</u>
	4,000.53
Decreased by:	
Budget Appropriation	<u>4,000.00</u>
Balance December 31, 2022	<u><u>\$ 0.53</u></u>

**BOROUGH OF BROOKLAWN**  
TRUST FUNDS -- ANIMAL CONTROL  
Statement of Due to State of New Jersey  
For the Year Ended December 31, 2022

---

Increased by:	
Receipts	\$ 204.60
Decreased by:	
Disbursements	<u>120.60</u>
Balance December 31, 2022	<u><u>\$ 84.00</u></u>

**BOROUGH OF BROOKLAWN**  
**TRUST FUNDS -- ANIMAL CONTROL**  
Statement of Reserve for Animal Control Fund Expenditures  
For the Year Ended December 31, 2022

---

Balance December 31, 2021		\$ 1,759.13
Increased by:		
Receipts:		
License Fees	\$ 2,097.40	
Due Current Fund:		
Budget Appropriation	<u>4,000.00</u>	
		<u>6,097.40</u>
		7,856.53
Decreased by:		
Disbursements		<u>6,938.04</u>
Balance December 31, 2022		<u><u>\$ 918.49</u></u>

Animal License Fees Collected

<u>Year</u>	<u>Amount</u>
2020	\$ 1,911.80
2021	<u>1,677.80</u>
	<u><u>\$ 3,589.60</u></u>

**BOROUGH OF BROOKLAWN**  
TRUST FUNDS -- OTHER  
Statement of Due to/from Current Fund  
For the Year Ended December 31, 2022

---

Balance December 31, 2021 (Due to)	\$ 12,097.56
Decreased by:	
Disbursements:	
Interfunds Returned / Advanced	<u>12,805.57</u>
Balance December 31, 2022 (Due from)	<u><u>\$ 708.01</u></u>

**BOROUGH OF BROOKLAWN**  
TRUST FUNDS -- OTHER  
Statement of Reserve for Unemployment Compensation Insurance  
For the Year Ended December 31, 2022

<hr/>		
Balance December 31, 2021		\$ 5,517.01
Increased by:		
Receipts:		
Contributions	\$ 10,500.00	
Interest on Investments and Deposits	<u>19.60</u>	
		<u>10,519.60</u>
		16,036.61
Decreased by:		
Disbursements:		
Claims Paid		<u>1,413.01</u>
Balance December 31, 2022		<u><u>\$ 14,623.60</u></u>

**BOROUGH OF BROOKLAWN**  
**TRUST FUNDS -- OTHER**  
Statement of Miscellaneous Trust Other Reserves  
For the Year Ended December 31, 2022

	Balance <u>December 31, 2021</u>	Increased by - <u>Receipts</u>	Decreased by - <u>Disbursements</u>	Balance <u>December 31, 2022</u>
Reserve for:				
Drug Awareness Resistance Education (DARE)	\$ 72.88			\$ 72.88
Performance Guarantees	3,000.00	\$ 1,500.00		4,500.00
Replacement of Borough Owned Homes	10.17			10.17
Community Development Block Grants	12,766.04			12,766.04
Off Duty Police Work	104,561.47	100,405.00	\$ 108,709.61	96,256.86
Security Deposits on Borough Owned Homes	39,708.61	1,498.29	1,444.05	39,762.85
Parking Offenses Adjudication Act	447.00	102.00		549.00
Local Law Enforcement	6,495.52	2,992.36	5,297.79	4,190.09
Public Defender Fees	7,500.00	5,300.50		12,800.50
Due to Criminal Disposition & Review Collection Fund	15,304.27			15,304.27
Recreation Donations	6,687.09	6,455.00	13,077.90	64.19
Tax Title Lien Redemptions		141,386.82	141,386.82	
Tax Sale Premiums	74,500.00		40,500.00	34,000.00
Escrow Deposits	11,189.35	40,472.50	30,405.50	21,256.35
	<u>\$ 282,242.40</u>	<u>\$ 300,112.47</u>	<u>\$ 340,821.67</u>	<u>\$ 241,533.20</u>

**BOROUGH OF BROOKLAWN**  
TRUST FUNDS -- OTHER  
Statement of Due to Federal and State Grant Fund  
For the Year Ended December 31, 2022

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Increased by:	
Receipts:	
Interfunds Received	<u>\$ 2,100.00</u>
Balance December 31, 2022	<u><u>\$ 2,100.00</u></u>



**BOROUGH OF BROOKLAWN**  
**LENGTH OF SERVICE AWARD PROGRAM**  
Statement of Investments - Length of Service Awards Program  
For the Year End December 31, 2022

Balance December 31, 2021		\$ 11,189.96
Increased by:		
Borough Contributions		<u>13,200.00</u>
		24,389.96
Decreased by:		
Unrealized Loss on Investments	\$ 1,108.09	
Administration Expenses	<u>325.00</u>	
		<u>1,433.09</u>
Balance December 31, 2022		<u><u>\$ 22,956.87</u></u>

Schedule of Investments, December 31, 2022

<u>Description</u>	<u>Amount</u>
Fixed Annuity Contract	\$ 11,551.44
Mutual Funds	<u>11,405.43</u>
	<u><u>\$ 22,956.87</u></u>

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash  
For the Year Ended December 31, 2022

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Balance December 31, 2021		\$ 382,639.51
Increased by Receipts:		
Due Current Fund	\$ 66,931.41	
Bond Anticipation Notes	342,000.00	
Improvement Authorizations	<u>20,380.00</u>	
		<u>429,311.41</u>
		811,950.92
Decreased by Disbursements:		
Improvement Authorizations	<u>191,750.15</u>	
		<u>191,750.15</u>
Balance December 31, 2022		<u><u>\$ 620,200.77</u></u>

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
**Analysis of General Capital Cash**  
**For the Year Ended December 31, 2022**

	Balance or (Deficit) Dec. 31, 2021	Bond Anticipation Notes	Receipts	Disbursements	Transfers		Balance or (Deficit) Dec. 31, 2022
			Miscellaneous	Improvement Authorizations	From	To	
Accounts Receivable							
New Jersey Department of Transportation	\$ (217,500.00)				\$ 465,000.00		\$ (682,500.00)
Due Current Fund	(51,710.37)		\$ 66,931.41		15,000.00		221.04
Contracts Payable	252,698.74				252,698.74		
Reserve for Encumbrances	12,580.19				6,291.94		6,288.25
Capital Improvement Fund	8,150.28				18,000.00	\$ 15,000.00	5,150.28
Reserve for Payment of Debt	171,151.24						171,151.24
General Capital Surplus	7,497.52						7,497.52
Improvement Authorizations:							
Ordinance Number	Description						
2016-11	Acquisition of and Improvements to Real Property	20,046.51		\$ 14,895.00			5,151.51
2018-3	Various Improvements to Municipal Owned Properties and Acquisition of Public Works Department Equipment	4,601.42		3,092.14			1,509.28
2018-11	Repair and Restoration of Streets, Sidewalks and Roads	25,424.25					25,424.25
2019-6	Reconstruction & Repaving of Various Roads, Acquisition of Public Works and Police Vehicles and Construction of Dog Park	2,204.72		36,672.94		56,824.34	22,356.12
2020-3	Completion of Various Road Improvements	169.15				68,864.21	69,033.36
2021-6	Purchase of Trash Truck	1,113.00					1,113.00
2021-8	Acquisition of Equipment, Road Reconstruction and Renovations of Homes	146,212.86	20,380.00	131,407.57		133,302.13	168,487.42
2022-7	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements		\$ 342,000.00			483,000.00	825,000.00
2022-8	Acquisition and Redevelopment of Certain Real Property			5,682.50			(5,682.50)
		<u>\$ 382,639.51</u>	<u>\$ 342,000.00</u>	<u>\$ 87,311.41</u>	<u>\$ 191,750.15</u>	<u>\$ 756,990.68</u>	<u>\$ 620,200.77</u>

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation - Funded  
For the Year Ended December 31, 2022

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Balance December 31, 2021	\$ 1,508,705.29
Decreased by:	
Budget Appropriation to Pay:	
United States Department of Agriculture Loan Payable	<u>28,720.72</u>
Balance December 31, 2022	<u><u>\$ 1,479,984.57</u></u>

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation - Unfunded  
For the Year Ended December 31, 2022

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	Increased by Authorizations	Decreased by Notes Paid by Budget Appropriation	Balance Dec. 31, 2022	Analysis of Balance, December 31, 2022		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
General Improvements:								
2012-7	Purchase of EMS Equipment, Fire Department Vehicle and Repaving of Christan Street and Community Road	\$ 41,900.00		\$ 41,900.00				
2013-3	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	68,520.00		44,359.00	\$ 24,161.00	\$ 24,161.00		
2013-11	Acquisition of Sport Utility Police Vehicles and Improvements to Borough Railroad Crossings	24,260.00		12,130.00	12,130.00	12,130.00		
2015-7	Various Capital Improvements and Acquisition of Real Property	42,775.00		15,000.00	27,775.00	27,775.00		
2016-11	Acquisition of and Improvements to Real Property	31,000.00		8,000.00	23,000.00	23,000.00		
2017-9	Various Improvements to Municipal Owned Property and Reconstruction of Sixth Street	168,855.00		33,771.00	135,084.00	135,084.00		
2018-3	Various Improvements to Municipal Owned Properties & Acquisition of Public Works Department Equipment	88,000.00		7,000.00	81,000.00	81,000.00		
2019-6	Reconstruction & Repaving of Various Roads, Acquisition of Public Works and Police Vehicles and Construction of Dog Park	131,100.00		10,000.00	121,100.00	121,100.00		
2020-3	Completion of Various Road Improvements	346,750.00			346,750.00	346,750.00		
2021-6	Purchase of Trash Truck	190,000.00			190,000.00	190,000.00		
2021-8	Acquisition of Equipment, Road Reconstruction and Renovations of Homes	327,750.00			327,750.00	327,750.00		
2022-7	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements		\$ 342,000.00		342,000.00	342,000.00		
2022-8	Acquisition and Redevelopment of Certain Real Property		320,000.00		320,000.00		\$ 5,682.50	\$ 314,317.50
		<u>\$ 1,460,910.00</u>	<u>\$ 662,000.00</u>	<u>\$ 172,160.00</u>	<u>\$ 1,950,750.00</u>	<u>\$ 1,630,750.00</u>	<u>\$ 5,682.50</u>	<u>\$ 314,317.50</u>
Improvement Authorizations Unfunded								
Less: Unexpended Proceeds of Bond Anticipation Notes Issued - Ordinances:								\$ 921,968.19
2016-11	Acquisition of and Improvements to Real Property						\$ 5,151.51	
2018-3	Various Improvements to Municipal Owned Properties and Acquisition of Public Works Department Equipment						1,509.28	
2019-6	Reconstruction & Repaving of Various Roads, Acquisition of Public Works and Police Vehicles and Construction of Dog Park						22,356.12	
2020-3	Completion of Various Road Improvements						69,033.36	
2021-6	Purchase of Trash Truck						1,113.00	
2021-8	Acquisition of Equipment, Road Reconstruction and Renovations of Homes						168,487.42	
2022-7	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements						340,000.00	
								607,650.69
								<u>\$ 314,317.50</u>

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
Statement of Accounts Receivable  
For the Year Ended December 31, 2022

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	New Jersey Department of <u>Transportation</u>
Balance December 31, 2021	\$ 217,500.00
Increased by:	
Award	<u>465,000.00</u>
Balance December 31, 2022	<u><u>\$ 682,500.00</u></u>

Analysis of Accounts Receivable, December 31, 2022

Ordinance 2018-11	\$ 31,250.00
Ordinance 2019-6	56,250.00
Ordinance 2020-3	61,250.00
Ordinance 2021-8	68,750.00
Ordinance 2022-7	<u>465,000.00</u>
	<u><u>\$ 682,500.00</u></u>

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
Statement of Due from / to Current Fund  
For the Year Ended December 31, 2022

<hr/>		
Balance December 31, 2021 (Due from)		\$ 51,710.37
Increased by:		
Capital Improvement Fund		<u>15,000.00</u>
		66,710.37
Decreased by:		
Receipts:		
Interfunds Received	\$ 66,147.26	
Anticipated Budget Revenue:		
Interest on Investments and Deposits	<u>784.15</u>	
		<u>66,931.41</u>
Balance December 31, 2022 (Due to)		<u><u>\$ 221.04</u></u>



**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
Statement of Bond Anticipation Notes  
For the Year Ended December 31, 2022

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2022</u>
2012-7	Purchase of EMS Equipment, Fire Department Vehicle and Repaving of Christan Street and Community Road	8/16/2012	7/1/2021 6/29/2022	6/30/2022 6/28/2023	0.410% 2.489%	\$ 41,900.00		\$ 41,900.00	
2013-3	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	4/15/2013	7/1/2021 6/29/2022	6/30/2022 6/28/2023	0.410% 2.489%	68,520.00	\$ 24,161.00	68,520.00	\$ 24,161.00
2013-11	Acquisition of Sport Utility Police Vehicles and Improvements to Borough Railroad Crossings	7/21/2014	7/1/2021 6/29/2022	6/30/2022 6/28/2023	0.410% 2.489%	24,260.00	12,130.00	24,260.00	12,130.00
2015-7	Various Capital Improvements and Acquisition of Real Property	7/17/2015	7/1/2021 6/29/2022	6/30/2022 6/28/2023	0.410% 2.489%	42,775.00	27,775.00	42,775.00	27,775.00
2016-11	Acquisition of and Improvements to Real Property	7/20/2016	7/1/2021 6/29/2022	6/30/2022 6/28/2023	0.410% 2.489%	31,000.00	23,000.00	31,000.00	23,000.00
2017-9	Various Improvements to Municipal Owned Property and Reconstruction of Sixth Street	7/12/2017	7/1/2021 6/29/2022	6/30/2022 6/28/2023	0.410% 2.489%	168,855.00	135,084.00	168,855.00	135,084.00
2018-3	Various Improvements to Municipal Owned Properties & Acquisition of Public Works Department Equipment	7/10/2018	7/1/2021 6/29/2022	6/30/2022 6/28/2023	0.410% 2.489%	88,000.00	81,000.00	88,000.00	81,000.00
2019-6	Reconstruction & Repaving of Various Roads, Acquisition of Public Works and Police Vehicles and Construction of Dog Park	7/8/2020	7/1/2021 6/29/2022	6/30/2022 6/28/2023	0.410% 2.489%	131,100.00	121,100.00	131,100.00	121,100.00
2020-3	Completion of Various Road Improvements	7/8/2020	7/1/2021 6/29/2022	6/30/2022 6/28/2023	0.410% 2.489%	346,750.00	346,750.00	346,750.00	346,750.00
2021-6	Purchase of Trash Truck	7/1/2021	7/1/2021 6/29/2022	6/30/2022 6/28/2023	0.410% 2.489%	190,000.00	190,000.00	190,000.00	190,000.00
2021-8	Acquisition of Equipment, Road Reconstruction and Renovations of Homes	7/1/2021	7/1/2021 6/29/2022	6/30/2022 6/28/2023	0.410% 2.489%	327,750.00	327,750.00	327,750.00	327,750.00
2022-7	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	6/29/2022	6/29/2022	6/28/2023	2.489%		342,000.00		342,000.00
						<u>\$ 1,460,910.00</u>	<u>\$ 1,630,750.00</u>	<u>\$ 1,460,910.00</u>	<u>\$ 1,630,750.00</u>
Issued for Cash							\$ 342,000.00		
Paid by Budget Appropriation								\$ 172,160.00	
Renewals							1,288,750.00	1,288,750.00	
							<u>\$ 1,630,750.00</u>	<u>\$ 1,460,910.00</u>	

**BOROUGH OF BROOKLAWN**  
GENERAL CAPITAL FUND  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2022

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Balance December 31, 2021	\$ 8,150.28
Increased by:	
Due Current Fund:	
Budget Appropriation	<u>15,000.00</u>
	23,150.28
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>18,000.00</u>
Balance December 31, 2022	<u><u>\$ 5,150.28</u></u>

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
Statement of United States Department of Agriculture Loan Payable  
For the Year Ended December 31, 2022

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2022</u>
			<u>Outstanding</u>	<u>December 31, 2022</u>				
			<u>Date</u>	<u>Amount</u>				
Various Capital Improvements to the Utility - Sewer	05/25/21	\$ 5,985,000.00	2023	\$ 29,153.15	1.500%			
			2024	29,592.08	1.500%			
			2025	30,037.63	1.500%			
			2026	30,489.89	1.500%			
			2027	30,948.95	1.500%			
			2028	31,414.92	1.500%			
			2029	31,887.91	1.500%			
			2030	32,368.03	1.500%			
			2031	32,855.37	1.500%			
			2032	33,350.05	1.500%			
			2033	33,852.17	1.500%			
			2034	34,361.86	1.500%			
			2035	34,879.22	1.500%			
			2036	35,404.37	1.500%			
			2037	35,937.42	1.500%			
			2038	36,478.51	1.500%			
			2039	37,027.74	1.500%			
			2040	37,585.24	1.500%			
			2041	38,151.13	1.500%			
			2042	38,725.54	1.500%			
			2043	39,308.60	1.500%			
			2044	39,900.45	1.500%			
			2045	40,501.19	1.500%			
			2046	41,110.99	1.500%			
			2047	41,729.97	1.500%			
			2048	42,358.27	1.500%			
			2049	42,996.03	1.500%			
			2050	43,643.39	1.500%			
			2051	44,300.49	1.500%			
			2052	44,967.48	1.500%			
			2053	45,644.53	1.500%			
			2054	46,331.77	1.500%			
			2055	47,029.34	1.500%			
			2056	47,737.43	1.500%			
			2057	48,456.18	1.500%			
			2058	49,185.75	1.500%			
			2059	49,926.30	1.500%			
			2060	50,355.23	1.500%			
						<u>\$ 1,508,705.29</u>	<u>\$ 28,720.72</u>	<u>\$ 1,479,984.57</u>

**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2022

						Authorizations									
Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2021		Capital Improvement Fund	Department of Transportation Grant	Deferred Charges to Future Taxation - Unfunded	Transferred from Contracts Payable	Transfer from Encumbrances Payable	Receipts - Refunds	Paid or Charged	Balance December 31, 2022		
				Funded	Unfunded								Funded	Unfunded	
General Improvements:															
2016-11	Acquisition of and Improvements to Real Property	06/20/16	250,000.00		\$ 20,046.51							\$ 14,895.00		\$ 5,151.51	
2016-12	Canceling and Reappropriating Balances for Capital Projects	06/20/16	61,604.90												
2018-3	Improvements to Municipal Owned Properties and Acquisition of Public Works Department Equipment	03/19/18	100,000.00		4,601.42							3,092.14		1,509.28	
2018-11	Repair and Restoration of Streets, Sidewalks and Roads	10/15/18	125,000.00	\$ 25,424.25									\$ 25,424.25		
2019-6	Reconstruction & Repaving of Various Roads, Acquisition of Public Works and Police Vehicles and Construction of Dog Park	07/15/19	363,000.00		2,204.72				\$ 56,824.34			36,672.94		22,356.12	
2020-3	Completion of Various Road Improvements	03/16/20	860,000.00		169.15				68,864.21					69,033.36	
2021-6	Purchase of Trash Truck	02/16/21	200,000.00		1,113.00									1,113.00	
2021-8	Acquisition of Equipment, Road Reconstruction and Renovations of Homes	05/17/21	445,000.00		146,212.86				127,010.19	\$ 6,291.94	\$ 20,380.00	131,407.57		168,487.42	
2022-7	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	05/16/22	825,000.00			\$ 18,000.00	\$ 465,000.00	\$ 342,000.00					485,000.00	340,000.00	
2022-8	Acquisition and Redevelopment of Certain Real Property	08/16/22	320,000.00					320,000.00				5,682.50		314,317.50	
				\$ 25,424.25	\$ 174,347.66	\$ 18,000.00	\$ 465,000.00	\$ 662,000.00	\$ 252,698.74	\$ 6,291.94	\$ 20,380.00	\$ 191,750.15	\$ 510,424.25	\$ 921,968.19	
Body Worn Camera Grant											\$ 20,380.00				
												Disbursements	\$ 191,750.15		

**BOROUGH OF BROOKLAWN**  
GENERAL CAPITAL FUND  
Statement of Contracts Payable  
For the Year Ended December 31, 2022

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Balance December 31, 2021	\$	252,698.74
Decreased by:		
Transferred to Improvement Authorizations		<u>252,698.74</u>
Balance December 31, 2022		<u><u>-</u></u>

**BOROUGH OF BROOKLAWN**  
GENERAL CAPITAL FUND  
Schedule of Reserve for Payment of Debt  
As of December 31, 2022

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Balance December 31, 2022	<u><u>\$ 171,151.24</u></u>
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**BOROUGH OF BROOKLAWN**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized but not Issued  
For the Year Ended December 31, 2022

Ordinance Number	Improvement Description	Authorizations	Increased by	Decreased by		Balance Dec. 31, 2022
			Notes Paid from Note Cash	Funded by Budget Appropriation	Bond Anticipation Notes Issued	
General Improvements:						
2012-7	Purchase of EMS Equipment, Fire Department Vehicle and Repaving of Christan Street and Community Road		\$ 41,900.00	\$ 41,900.00		
2013-3	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements		68,520.00	44,359.00	\$ 24,161.00	
2013-11	Acquisition of Sport Utility Police Vehicles and Improvements to Borough Railroad Crossings		24,260.00	12,130.00	12,130.00	
2015-7	Various Capital Improvements and Acquisition of Real Property		42,775.00	15,000.00	27,775.00	
2016-11	Acquisition of and Improvements to Real Property		31,000.00	8,000.00	23,000.00	
2017-9	Various Improvements to Municipal Owned Property and Reconstruction of Sixth Street		168,855.00	33,771.00	135,084.00	
2018-3	Various Improvements to Municipal Owned Properties & Acquisition of Public Works Department Equipment		88,000.00	7,000.00	81,000.00	
2019-6	Reconstruction & Repaving of Various Roads, Acquisition of Public Works and Police Vehicles and Construction of Dog Park		131,100.00	10,000.00	121,100.00	
2020-3	Completion of Various Road Improvements		346,750.00		346,750.00	
2021-6	Purchase of Trash Truck		190,000.00		190,000.00	
2021-8	Acquisition of Equipment, Road Reconstruction and Renovations of Homes		327,750.00		327,750.00	
2022-7	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	\$ 342,000.00			342,000.00	
2022-8	Acquisition and Redevelopment of Certain Real Property	320,000.00				\$ 320,000.00
		\$ 662,000.00	\$ 1,460,910.00	\$ 172,160.00	\$ 1,630,750.00	\$ 320,000.00

**SUPPLEMENTAL EXHIBITS**

**WATER UTILITY FUND**



**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
Statement of Water Utility Cash - Treasurer  
For the Year Ended December 31, 2022

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2021	\$ 102,292.70	\$ 248,195.47
Increased by Receipts:		
Water Rents Collected	\$ 485,772.64	
Water Rent Overpayments	1,422.95	
Miscellaneous Revenues	8,728.56	
Water Tower Lease	17,600.00	
Water Utility Capital Fund	329.96	
Capital Improvement		\$ 10,000.00
Bond Anticipation Note		76,000.00
Water Utility Operating Fund		394.52
	<u>513,854.11</u>	<u>86,394.52</u>
	616,146.81	334,589.99
Decreased by Disbursements:		
Appropriations	445,438.89	
Appropriation Reserves	13,022.34	
Accrued Interest on Bonds and Notes	20,821.14	
Due to Current Fund	98.00	
Water Utility Operating Fund		329.96
Improvement Authorizations		88,854.81
	<u>479,380.37</u>	<u>89,184.77</u>
Balance December 31, 2022	<u>\$ 136,766.44</u>	<u>\$ 245,405.22</u>

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
 Water Utility Capital Fund  
 Analysis of Water Utility Capital Cash  
 For the Year Ended December 31, 2022

		Receipts		Disbursements		Transfers		
	Balance	Bond		Improvement				Balance
	<u>Dec. 31, 2021</u>	<u>Anticipation</u>	<u>Miscellaneous</u>	<u>Authorizations</u>	<u>Miscellaneous</u>	<u>From</u>	<u>To</u>	<u>Dec. 31, 2022</u>
		<u>Notes</u>						
Fund Balance	\$ 39,683.92							\$ 39,683.92
Reserve for Encumbrances	3,862.00					\$ 3,862.00		
Capital Improvement Fund	27,000.00		\$ 10,000.00			4,000.00		33,000.00
Accrued Interest							\$ 1,166.93	1,166.93
Reserve for Payment of Debt	113,322.36							113,322.36
Excess Note Proceeds	5,701.00							5,701.00
<u>Improvement Authorizations:</u>								
2018-3 Acquisition of Various Capital Equipment and Completion of Various Capital Improvements to the Utility	20,895.00			\$ 7,256.81				13,638.19
2021-8 Purchase of Equipment & Infrastructure Improvements	37,706.00			10,262.00		1,166.93	3,862.00	30,139.07
2022-7 Acquisition of Various Capital Equipment and Completion of Various Capital Improvements to the Utility		\$ 76,000.00		71,336.00			4,000.00	8,664.00
<u>Interfunds:</u>								
Water Utility Operating Fund	25.19		394.52		\$ 329.96			89.75
	<u>\$ 248,195.47</u>	<u>\$ 76,000.00</u>	<u>\$ 10,394.52</u>	<u>\$ 88,854.81</u>	<u>\$ 329.96</u>	<u>\$ 9,028.93</u>	<u>\$ 9,028.93</u>	<u>\$ 245,405.22</u>

**BOROUGH OF BROOKLAWN**  
WATER UTILITY FUND  
Water Utility Operating Fund  
Statement of Consumer Accounts Receivable  
For the Year Ended December 31, 2022

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Balance December 31, 2021	\$ 166,154.46
Increased by:	
2022 Water Rents Levied	<u>480,645.03</u>
	646,799.49
Decreased by:	
Collections	<u>485,772.64</u>
Balance December 31, 2022	<u><u>\$ 161,026.85</u></u>

**BOROUGH OF BROOKLAWN**  
WATER UTILITY FUND  
Water Utility Operating Fund  
Statement of Water Rent Overpayments  
For the Year Ended December 31, 2022

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Balance December 31, 2021	\$ 143.65
Increased by:	
Overpayments in 2022	<u>1,422.95</u>
	1,566.60
Decreased by:	
Canceled	<u>615.63</u>
Balance December 31, 2022	<u><u>\$ 950.97</u></u>

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
**Water Utility Capital Fund**  
**Schedule of Fixed Capital**  
**As of December 31, 2022**

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	Balance Dec. 31, 2022
Pumping Station, Mains and Fire Hydrants	\$ 62,076.72
Aerator	6,700.74
Deep Well Pump	3,970.03
Sprinkler System	951.83
Heavy Duty Vehicles	48,000.00
Well	12,542.95
Well and Equipment	594,873.79
Wiring	850.00
Water Meters	64,316.89
Water Tower Chlorination System	8,356.22
Addition to Municipal Water Works and Purchase of Equipment	61,227.34
Auxiliary Generators	80,000.00
Water Tank; Wet Basin; High Service Pumps; Generator; Chemical Feed System; Distribution Pipelines	1,074,621.79
Water Plan Radio Control Communications	14,400.00
Water Utility Site Repairs and Installation of Backwash Filtering System	75,000.00
Site Remediation	99,713.51
Reconstruction, Repair and Redevelopment of Well #1	6,000.00
Redevelopment of Well #3	24,299.00
Improvements of Water Tower	283,296.25
Water Recycling System and Plant Controls	199,906.66
Water Works Underground Storage Tanks Site	8,355.40
Water Plant Roof, Hydrants, Valves, Meters and Utility Truck	86,701.34
Water Improvements and Related Items	1,765,287.84
	<hr/>
	\$ 4,581,448.30

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
**Water Utility Capital Fund**  
**Statement of Fixed Capital Authorized and Uncompleted**  
**For the Year Ended December 31, 2022**

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	<u>Ordinance</u> <u>Date</u>	<u>Ordinance</u> <u>Amount</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>2022</u> <u>Authorization</u>	<u>Adjustment</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
2018-3	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements to the Utility	3/19/2018	\$ 150,000.00	\$ 140,000.00		\$ 10,000.00	\$ 150,000.00
2021-8	Purchase of Equipment & Infrastructure Improvements	5/17/2021	95,000.00	95,000.00		5,000.00	100,000.00
2022-7	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements to the Utility	5/26/2022	80,000.00		\$ 80,000.00		80,000.00
				<u>\$ 235,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 330,000.00</u>

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
Water Utility Operating Fund  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2022

	<u>Balance December 31, 2021</u>			<u>Balance Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Disbursed</u>	
Operating:				
Salaries and Wages		\$ 30,670.51		\$ 30,670.51
Other Expenses	\$ 19,059.22	4,110.42	\$ 13,022.34	10,147.30
Deferred Charges and Statutory Expenditures:				
Social Security System (O.A.S.I.)		3,581.93		3,581.93
Unemployment Compensation insurance		1.00		1.00
	<u>\$ 19,059.22</u>	<u>\$ 38,363.86</u>	<u>\$ 13,022.34</u>	<u>\$ 44,400.74</u>

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
Water Utility Operating Fund  
Statement of Interest on Notes and Analysis of Balance  
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 9,291.77
Increased by:	
Budget Appropriation:	
Interest on Notes	\$ 2,845.64
Interest on Loan	19,726.77
Interest on Bonds Charged to Improvement Authorizations	<u>1,166.93</u>
	<u>23,739.34</u>
	33,031.11
Decreased by:	
Disbursements	<u>20,821.14</u>
Balance December 31, 2022	<u><u>\$ 12,209.97</u></u>
Analysis of Balance Dec. 31, 2022	
Operating Fund	\$ 11,043.04
Capital Fund	<u>1,166.93</u>
	<u><u>\$ 12,209.97</u></u>

Analysis of Accrued Interest December 31, 2022

	Principal Outstanding <u>Dec. 31, 2022</u>	Interest Rate	From	To	Period	Amount
Bond Anticipation Notes:						
	\$ 110,000.00	2.489%	6/29/2022	12/31/2022	185 Days	\$ 1,387.70
	95,000.00	2.489%	6/29/2022	12/31/2022	185 Days	1,198.47
	76,000.00	2.489%	6/29/2022	12/31/2022	185 Days	958.78
U.S.D.A. Loan:						
	1,121,080.73	1.750%	7/25/2022	12/31/2022	159 Days	<u>8,665.02</u>
						<u>\$ 12,209.97</u>



**BOROUGH OF BROOKLAWN**  
WATER UTILITY FUND  
Water Utility Capital Fund  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2022

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Balance December 31, 2021	\$ 27,000.00
Increased by:	
Received from 2022 Budget Appropriation	<u>10,000.00</u>
	37,000.00
Decreased by:	
Appropriation to Finance Improvement Authorization	<u>4,000.00</u>
Balance December 31, 2022	<u><u>\$ 33,000.00</u></u>

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
 Water Utility Capital Fund  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2022

Ord. No.	Improvement Description	Date	Amount	Balance Dec. 31, 2021		Capital Improvement Fund	Deferred Charges To Future Revenue	Transfer from Reserve for Encumbrances	Expended	Balance Dec. 31, 2022	
				Funded	Unfunded					Funded	Unfunded
2018-3	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements to the Utility	3/19/18	\$ 150,000.00		\$ 20,895.00				\$ 7,256.81		\$ 13,638.19
2021-8	Purchase of Equipment & Infrastructure Improvements	5/17/21	100,000.00		37,706.00			\$ 3,862.00	11,428.93		30,139.07
2022-7	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements to the Utility	5/16/22	80,000.00			\$ 4,000.00	\$ 76,000.00		71,336.00		8,664.00
				-	\$ 58,601.00	\$ 4,000.00	\$ 76,000.00	\$ 3,862.00	\$ 90,021.74	-	\$ 52,441.26
							Accrued Interest on Notes		\$ 1,166.93		
							Disbursed		88,854.81		
									\$ 90,021.74		

**BOROUGH OF BROOKLAWN**  
WATER UTILITY FUND  
Water Utility Capital Fund  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2022

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Balance December 31, 2021			\$ 3,451,149.30
Increased by:			
Loans Paid by Operating Budget	\$	19,919.27	
Bond Anticipation Notes Paid by Operating Budget		<u>25,000.00</u>	
			<u>44,919.27</u>
Balance December 31, 2022			<u><u>\$ 3,496,068.57</u></u>

**BOROUGH OF BROOKLAWN**  
WATER UTILITY FUND  
Water Utility Capital Fund  
Statement of Bond Anticipation Notes  
For the Year Ended December 31, 2022

<u>Ord. Number</u>	<u>Purpose</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2022</u>
2018-3	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements to the Utility	07/10/2018	07/01/2021 06/29/2022	06/30/2022 06/28/2023	0.410% 2.489%	\$ 135,000.00	\$ 110,000.00	\$ 135,000.00	\$ 110,000.00
2021-8	Purchase of Equipment & Infrastructure Improvements	07/01/2021	07/01/2021 06/29/2022	06/30/2022 06/28/2023	0.410% 2.489%	95,000.00	95,000.00	95,000.00	95,000.00
2022-7	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements to the Utility	06/29/2022	06/29/2022	06/28/2023	2.489%		76,000.00		76,000.00
						<u>\$ 230,000.00</u>	<u>\$ 281,000.00</u>	<u>\$ 230,000.00</u>	<u>\$ 281,000.00</u>
				Renewals			\$ 205,000.00	\$ 205,000.00	
				Paid by Budget Appropriation				25,000.00	
				Issued for Cash			76,000.00		
							<u>\$ 281,000.00</u>	<u>\$ 230,000.00</u>	

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
**Water Utility Capital Fund**  
**Statement of Deferred Reserve for Amortization**  
**For the Year Ended December 31, 2022**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Authorization</u>	<u>Adjustments</u>	<u>Balance Dec. 31, 2022</u>
2018-3	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements to the Utility	3/19/2018	\$ 150,000.00			\$ 10,000.00	\$ 10,000.00
2021-8	Purchase of Equipment & Infrastructure Improvements	5/17/2021	95,000.00			5,000.00	5,000.00
2022-7	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements to the Utility	5/26/2022	80,000.00		\$ 4,000.00		4,000.00
				<u>\$ -</u>	<u>\$ 4,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 19,000.00</u>

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY FUND**  
**Water Utility Capital Fund**  
**Statement of U.S.D.A. Loan Payable**  
**For the Year Ended December 31, 2022**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2022</u>
			<u>Outstanding</u>	<u>December 31, 2022</u>				
			<u>Date</u>	<u>Amount</u>				
United States Department of Agriculture Loan	7/20/2021	\$ 1,141,000.00	2023	\$ 20,269.38				
			2024	20,625.64				
			2025	20,988.18				
			2026	21,357.07				
			2027	21,732.46				
			2028	22,114.43				
			2029	22,503.14				
			2030	22,898.66				
			2031	23,301.14				
			2032	23,710.70				
			2033	24,127.45				
			2034	24,551.53				
			2035	24,983.06				
			2036	25,422.18				
			2037	25,869.01				
			2038	26,323.70				
			2039	26,786.38				
			2040	27,257.19				
			2041	27,736.28				
			2042	28,223.78				
			2043	28,719.86				
			2044	29,224.66				
			2045	29,738.32				
			2046	30,261.03				
			2047	30,792.91				
			2048	31,334.15				
			2049	31,884.89				
			2050	32,445.31				
			2051	33,015.59				
			2052	33,595.90				
			2053	34,186.39				
			2054	34,787.27				
			2055	35,398.72				
			2056	36,020.90				
			2057	36,654.03				
			2058	37,298.27				
			2059	37,953.85				
			2060	38,620.95				
			2061	38,366.37	1.750%	\$ 1,141,000.00	\$ 19,919.27	\$ 1,121,080.73

**BOROUGH OF BROOKLAWN**  
**WATER UTILITY CAPITAL FUND**  
Statement of Bonds and Notes Authorized but not Issued  
For the Year Ended December 31, 2022

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<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Authorizations</u>	<u>Bond Anticipation Notes Issued</u>
2022-7	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements to the Utility	\$ 76,000.00	\$ 76,000.00

**PART II**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**



**BOROUGH OF BROOKLAWN**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2022

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***Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

**Finding No. 2022-001**

**Criteria or Specific Requirement**

N.J.S.A. 40A:11-1 et seq and N.J.A.C. 5:34, New Jersey Local Public Contracts Law and Regulation contains requirements associated with contracts that exceed the public bidding and quotation thresholds. Specifically, when anticipated costs for the purchase of goods or services exceed the established bid threshold, the governmental unit shall advertise and receive sealed bids prior to awarding a contract.

**Condition**

The Borough failed to obtain bids for one awarded contract that exceeded the bid threshold as required by N.J.S.A. 40A:11-1 et seq and N.J.A.C. 5:34, New Jersey Local Public Contracts Law and Regulation.

**Context**

The Borough awarded a contract for water meters for \$71,336.00 without advertising for and receiving sealed bids.

**Effect or Potential Effect**

The Borough did not comply with its internal controls for purchasing by awarding contracts that were not in accordance with N.J.S.A. 40A:11-1 et seq and N.J.A.C. 5:34, New Jersey Local Public Contracts Law and Regulation requirements.

**Cause**

The Borough did not adhere to its internal control related to purchasing.

**Recommendation**

That the Borough obtain bids for all awarded contracts that exceed the bid threshold as required by N.J.S.A. 40A:11-1 et seq and N.J.A.C. 5:34, New Jersey Local Public Contracts Law and Regulation.

**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.

**BOROUGH OF BROOKLAWN**  
Summary Schedule of Prior Year Audit Findings  
and Recommendations as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2021-001**

**Condition**

As required by N.J.A.C. 5:30-5.7, the general ledger maintained by the Borough was not appropriately reconciled monthly to the books of original entry (subsidiary records). Unsupported entries were posted for the sole purpose of reconciling the general ledger balances to subsidiary records and several general ledger accounts did not reconcile with subsidiary records.

**Current Status**

This condition has been resolved.

**Finding No. 2021-002**

**Condition**

The Borough failed to obtain bids for two awarded contracts that exceeded the bid threshold as required by N.J.S.A. 40A:11-1 et seq and N.J.A.C. 5:34, New Jersey Local Public Contracts Law and Regulation.

**Current Status**

Condition remains unresolved. See finding 2022-001.

**Planned Corrective Action**

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

**FEDERAL AWARDS**

Not applicable.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

Not applicable.

**BOROUGH OF BROOKLAWN**  
 Officials in Office and Surety Bonds

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The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Theresa Branella	Mayor	
Julie McCleary	Council President	
Patricia McConnell	Councilmember	
Michael Mevoli	Councilmember	
John Clotworthy	Councilmember	
Jerry Granstrom	Councilmember	
Patrick Moses	Councilmember	
Ryan Giles	Chief Financial Officer, Borough Clerk, Registrar of Vital Statistics, Personnel Officer	(A)
Maria Branson	Tax Collector, Water Clerk, Construction Office Secretary	(A)
Stacey Brewster	Treasurer, Deputy Borough Clerk, Borough Homes Coordinator	(A)
Timothy Higgins, Esquire	Solicitor	

(A) Covered by policies of the Camden County Joint Insurance and the New Jersey Municipal Excess Liability Joint Insurance Fund for up to \$1,000,000.00 with a deductible of \$1,000.00.

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**APPRECIATION**

I express my appreciation for the assistance and courtesies rendered by the Borough officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

A handwritten signature in black ink, appearing to read "Michael D. Cesaro". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

