

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Borough of Fair Lawn Board of Education  
Fair Lawn, New Jersey**

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

**Prepared by**

**Borough of Fair Lawn Board of Education  
Finance Department**

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN SCHOOL DISTRICT

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## **Introductory Section**

**Board of Education  
Fair Lawn School District**

September 17, 2019

Honorable President and Members  
of the Board of Education  
Borough of Fair Lawn School District  
County of Bergen, New Jersey

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Fair Lawn School District (District) for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the related Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" and State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES**

Fair Lawn School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Fair Lawn Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for students with disabilities. Our special education program begins with preschool age students. The District completed the 2018-2019 year with an enrollment of 5,139 students. The following details the changes in the student enrollment of the District over the last ten years.

### Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2018-2019	5,085	2.91%
2017-2018	4,941	1.35%
2016-2017	4,875	2.05%
2015-2016	4,777	1.27%
2014-2015	4,717	.86%
2013-2014	4,677	1.0%
2012-2013	4,649	1.2%
2011-2012	4,595	(2.8%)
2010-2011	4,725	(.051%)
2009-2010	4,750	(.080%)
2008-2009	4,789	(.21%)

## **2. ECONOMIC CONDITIONS AND OUTLOOK**

Fair Lawn Borough is located in Bergen County, New Jersey, in the northeast corner of the State. As of July 1, 2018 the U.S. Census Bureau estimated the population to be 33,128, up 2% from 2010. The borough has a total area of 5.201 square miles mostly occupied by residential housing units. Approximately 80% of the borough's tax base is residential and approximately 17% is industrial and commercial.

Fair Lawn's industrial area adjacent to State Routes 208 and 4 is the site of many well-known companies including: Mondelez International, Inc. (Nabisco), Columbia Bank, Hyatt Hotel, Sandvik, Inc., Lea & Perrins, Thermo Fisher Scientific, Verizon, and A. Zerega's Sons, Inc. (pasta). The Fair Lawn Promenade, a mixed-use retail / residential / business complex, opened on April 1, 2014 in this area. It has shops, restaurants, condominium units, and offices. These companies are major local employers with total employment in the thousands.

Fair Lawn is also home to a large number of commuters to New York City, to which Fair Lawn is connected by train from two railroad stations on NJ Transit's Bergen County Line, the Radburn and Broadway stations. The Economic Development Corporations of Fair Lawn and of Bergen County estimate that there is significant demand for additional housing in Fair Lawn due to the convenient locations of these stations. As of 2015 there were 1,368 condominium and townhome units in the development pipeline. Expected household growth and the need to replace physically obsolescent residential units are estimated to increase this demand through 2030. Fair Lawn's school enrollment has been increasing every year for the last 7 years and demographic projections through the next 3 years expect the increases to continue.

The majority of Fair Lawn residents occupy single family dwellings. Fair Lawn's owner-occupancy rate is 79% compared with Bergen County's overall owner-occupancy rate of 65%. Housing is well maintained in all areas of the borough. There is a very low housing vacancy rate of 3.7% in Fair Lawn compared to 4.8% in Bergen County. This low vacancy rate is indicative of a pent-up demand for high-grade, well located housing in Fair Lawn.



School offers 69 clubs and activities, including Varsity Law Team, Drama Club, Ski Club, and the Astronomy Club. District students participated in regional chorus groups, the New Jersey All State Chorus, as well as regional band and orchestra groups. Fair Lawn High School hosts 28 out of 31 New Jersey State Interscholastic Athletic Association sanctioned programs, and last year, we celebrated two league, two County and one State championship.

At the beginning of the 2016-17 school year, the District implemented full day Kindergarten which increased Kindergarten enrollment by 20% from the 2015-2016 school year.

The Fair Lawn School District's mission is to promote continuous improvement and high levels of learning, to foster self-confidence and support success for all students, and to engender productive and humane citizens empowered by the critical, technological, and communication tools necessary to function democratically in a global society. The expectation is that all students achieve the New Jersey Student Learning Standards (SLS) at all grade levels. This mission is accomplished through strong academic programs, the establishment of a positive learning climate, a strong partnership with parents and the community, the professionalism and dedication of our staff, and our commitment to ensure high levels of learning for all students.

In 2017-18 the District began planning for expansion of the two middle schools due to projected enrollment increases. A \$25 million bond referendum to finance the expansion was approved in March 2018. Construction on the middle schools' expansion began in spring 2019. Completion is expected by September 2020.

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

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

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

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

#### **5. BUDGETARY CONTROLS**

In addition to internal accounting controls the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved

Fair Lawn is comprised of several diverse neighborhoods. Most of the residential neighborhoods each surround one of the borough's six elementary schools. The most well-known of the Fair Lawn neighborhoods is Radburn, one of the first planned communities in the United States. Founded in 1929 as a "town for the motor age," Radburn is still considered a model of innovative community planning, combining individual homes, row houses and garden apartments with common areas and recreational facilities maintained by a private cooperative association. Fair Lawn's reputable schools, safe and well-policed neighborhoods, and the borough's convenient access to commercial centers and hospitals, a complex network of highways, transit lines, New York City, and Newark Liberty International Airport, have all made Fair Lawn a an attractive community for newcomers from various regions around the world.

### **3. MAJOR INITIATIVES**

The Fair Lawn School District offers a challenging curriculum fully aligned with the New Jersey Student Learning Standards.

In 2019 the Fair Lawn District underwent the New Jersey Quality Single Accountability Continuum (NJQSAC) review. The District was designated as "high performing", scoring 100% in Fiscal Management, Governance and Personnel, 97% in Operations and 91% in Instruction and Program.

Students participate in STEM activities and courses at the elementary, middle, and high school levels; students participate in a range of academic contests throughout the year; and students benefit from the various partnerships between the school district and local universities/colleges. In January 2020 all 9<sup>th</sup> and 10<sup>th</sup> grade students will receive district owned laptop computers as the district embarks on its one-to-one district-wide computer initiative. Starting in September 2019, Fair Lawn collaborated with Bergen Community College to offer juniors and seniors an option to enroll in its Early College Program enabling these students to graduate with both a high school diploma and a college associate degree.

Fair Lawn High School offers 25 advanced placement courses as well as 43 honors courses. In Spring 2019, 292 students took 727 exams in 27 different subjects scoring 3 or higher on 636 of those exams.

Fair Lawn Public Schools have been named number 17 to the 2019 Niche (niche.com) list of the "Suburbs with the Best Public Schools in New Jersey." That ranking puts us in the top 5% of public schools in New Jersey. Fair Lawn High School remains on *New Jersey Monthly* magazine's latest list of the "Top 100 High Schools in the State of New Jersey", at number 89. In 2016, Lyncrest Elementary School was recognized for its overall academic excellence by the National Blue Ribbon Schools Program of the U.S. Department of Education.

Ninety percent of our 2019 graduates went on to higher education.

In 2019 the percentage of Fair Lawn students who took the New Jersey Student Learning Assessments (SLA) in English Language Arts and Mathematics, and who met or exceeded expectations, substantially exceeded the national and New Jersey percentages of students who took the SLA, and who met or exceeded expectations.

The educational experience of students is enhanced by a broad set of extracurricular offerings in the arts, athletics, service organizations, and special-interest activities. Fair Lawn High

for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2019.

## **6. ACCOUNTING SYSTEM AND REPORTS**

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

## **7. DEBT ADMINISTRATION**

At June 30, 2019, the District's outstanding debt issues include Serial Bonds and Loans Payable. In March 2004, the District voters approved a bond referendum for \$23,662,000.00. The proceeds of this bond issue were designated for various school building improvements. The pay down of this outstanding debt began during the 2005-2006 school year and will end February 15, 2030.

In 2013, the district refinanced existing school bonds and issued new debt which resulted in annualized savings in excess of \$20,000 per year beginning in August 2013.

In December 2014, the District voters approved a \$10,677 million bond referendum. Moody's upgraded the district's bond ratings to an Aa2 underlying and Aa3 enhanced rating. The bond sale was held on February 11, 2015.

The proceeds of this bond issue were placed in the District's capital projects fund to provide funds for the reroofing of the District's school buildings and for an addition to one of the district's elementary schools. The pay down of this outstanding debt began during the 2015/2016 school year and will end June 30, 2035.

In March 2018, District voters approved a \$25 million bond referendum for facilities improvements. The bond sale was held on January 16, 2019.

The proceeds of this bond issue were placed in the District's capital projects fund to provide funds for expansion of the districts two middle schools and air conditioning of the high school auditorium. The pay down of this outstanding debt will begin during the 2019/2020 school year and will end June 30, 2044.

## **8. CASH MANAGEMENT**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under

the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

During the 1993-94 fiscal year, the Board approved extending their official Depositories to include the New Jersey Cash Management Fund. The Fund was established in 1977 and is invested by the Division of Investment of the Treasury Department under the jurisdiction of the State Investment Council. In November 1977, legislation was enacted (P.L. 1977, C.281) which permits counties, municipalities, and school districts to participate.

**9. RISK MANAGEMENT**

The Board carries various forms of insurance, including but not limited to general liability, student accident, environmental liability, excess umbrella liability, cyber liability, automobile liability and comprehensive/collision, workers' compensation, School Board legal liability, hazard and theft insurance on property and contents, and fidelity bonds.


**10. OTHER INFORMATION**

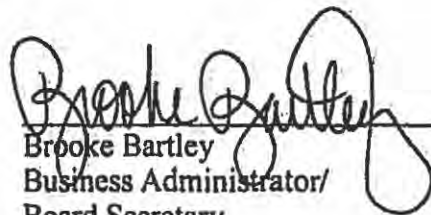
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of T.M. Vrabel & Associates, LLC was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" and State Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**11. ACKNOWLEDGMENTS**

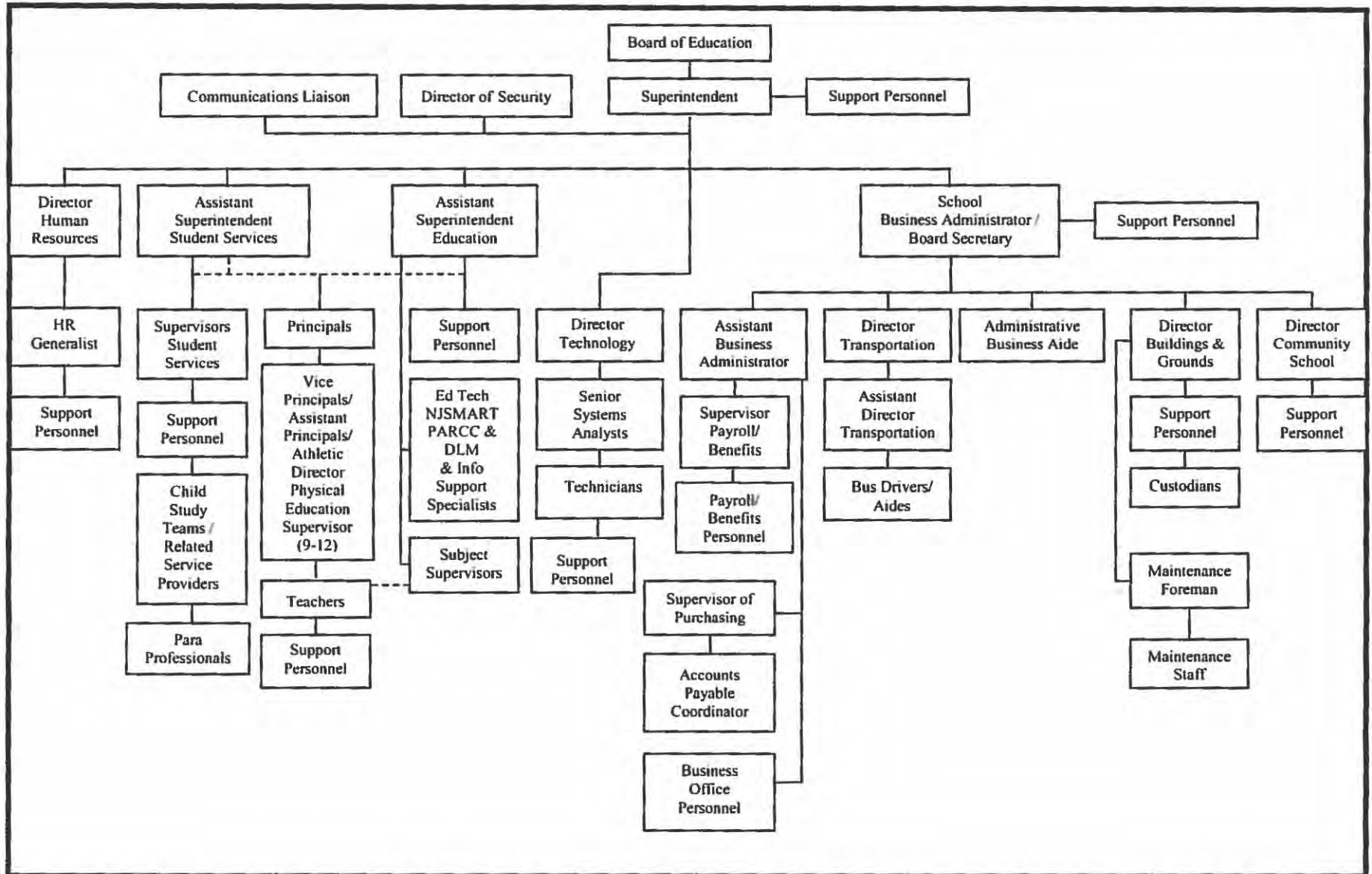
We would like to express our appreciation to the members of the Fair Lawn School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. This report could not have been prepared without the efficient and dedicated services of our Business Office staff.

Respectfully submitted,

  
\_\_\_\_\_  
Nicholas Norcia  
Superintendent of Schools

  
\_\_\_\_\_  
Brooke Bartley  
Business Administrator/  
Board Secretary

# FAIR LAWN PUBLIC SCHOOLS ORGANIZATION CHART



7

**Board of Education of  
Borough of Fair Lawn  
Bergen County, New Jersey**

<b>Board Member Name</b>	<b>Position</b>	<b>Term Expiration</b>
<b>Ronald Barbarulo</b>	<b>President</b>	<b>12/31/2020</b>
<b>Elyss Frenkel</b>	<b>Vice-President</b>	<b>12/31/2020</b>
<b>Eugene Banta</b>	<b>Member</b>	<b>12/31/2021</b>
<b>Emily Cohen</b>	<b>Member</b>	<b>12/31/2020</b>
<b>Cindy Jo Quackenbush</b>	<b>Member</b>	<b>12/31/2019</b>
<b>Michael Rosenberg</b>	<b>Member</b>	<b>12/31/2019</b>
<b>Wilkin Santana</b>	<b>Member</b>	<b>12/31/2021</b>
<b>Mark Spindel</b>	<b>Member</b>	<b>12/31/2021</b>
<b>Mary Monahan Wallace</b>	<b>Member</b>	<b>12/31/2019</b>

**Other Officials**

Nicholas Norcia, Superintendent
Brooke Bartley, Business Administrator/Board Secretary
Karen Palermo, Treasurer of School Moneys

Paul Green, Esq. Schenck, Price, Smith, King LLP	Florham Park, NJ	Board Attorney
Nathanya G. Simon, Esq. Scarinci Hollenbeck	Lyndhurst, NJ	Board Attorney
T.M. Vrabel & Associates, LLC	Montville, NJ	Board Auditor

**Board of Education  
Consultants & Advisors  
2018-2019**

**Architects/Engineers**

LAN Associates, Incorporated  
445 Godwin Avenue  
Midland Park, NJ 07432

Energy for America, Incorporated  
42 Roseland Ave.  
Roseland, NJ 07068

Garden State Environmental  
555 Board Street Suite K  
Glen Rock, NJ 07452

**Audit Firm**

T.M. Vrabel & Associates, LLC  
350 Main Road Suite 104  
Montville, NJ 07045

**Attorneys**

Schenck, Price, Smith & King LLP  
220 Park Avenue  
P.O. Box 991  
Florham Park, NJ 07932-0991

Scarinci & Hollenbeck, LLC  
1100 Valley Brook Avenue  
Lyndhurst, NJ 07071

**Official Depositories**

Columbia Savings Bank  
19-01 Route 208 North  
Fair Lawn, NJ 07410

S B One Bank  
P.O. Box 7128  
Rochelle Park, NJ 07662



Valley National Bank  
200 Black Oak Ridge Road  
Wayne, NJ

State of New Jersey Cash Management Fund  
50 West State Street, 9<sup>th</sup> Floor  
Trenton, NJ 08608-0290

## **Financial Section**



## **Independent Auditor's Report**



***T. M. Vrabel & Associates, LLC***  
***Accountants and Auditors***

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***Timothy M. Vrabel, RMA, PSA***  
***Chris C. Hwang, CPA***

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Borough of Fair Lawn School District  
County of Bergen, New Jersey

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Fair Lawn School District as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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 prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for

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the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information the Borough of Fair Lawn School District as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on Page 14 through 20 and budgetary comparison information of schedules C-1 and C-2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Fair Lawn School District's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, statistical tables and the Schedules of Expenditures of Federal Awards and State Financial Assistance as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are presented for purposes of additional analysis and are not a required part of the basic financial statements.

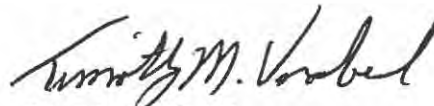
The combining and individual fund financial statements, long-term debt schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in 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 combining and individual fund financial statements, long-term debt schedules and the Schedules of Expenditures of Federal

Awards and State Financial Assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

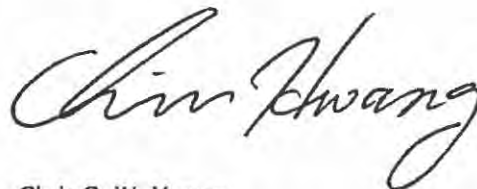
The introductory section and statistical tables have not been subjected to the auditing procedures and applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with Government Auditing Standards, we have also issued our report dated September 16, 2019 on our consideration of the Borough of Fair Lawn School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Borough of Fair Lawn School District's internal control over financial reporting and compliance.



Timothy M. Vrabel  
Public School Accountant  
License No. CS000698



Chris C. W. Hwang  
Certified Public Accountant  
License No. CC033704

Montville, New Jersey  
September 16, 2019

**REQUIRED SUPPLEMENTARY INFORMATION -  
PART I**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Fair Lawn School District financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the transmittal letter on page 1 and the District's financial statements, which begin on page 23.

### FINANCIAL HIGHLIGHTS

The District's total net position increased \$5,438,000 as a result of this year's operations mainly because of the increase in the Capital Reserve Account and Capital Project encumbrances. This year the District continues to recognize capital assets based on original cost less depreciation. (Table I)

Total cost of all of the District's programs was \$128,147,000 in 2018-2019 compared to \$128,625,000 in 2017-2018. (Table II)

During the year, the District had expenses for governmental activities that were \$2,753,000 less than the \$118,380,000 generated in tax and other program revenues (Table III) due to planned control of expenditures.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 23 and 24) provide information about the activities of the District as a whole and present a longer-term view on the District's finances. Fund financial statements start on page 27. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operation in more detail than the government-wide statements by providing information about the District's most financially significant funds

#### Reporting the District as a Whole

##### The Statement of Net Position and the Statement of Activities

Our analysis of the District as a whole begins on page 16. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in them. You can think of the District's net position, the difference between assets and liabilities, as one way to measure the District's financial health, or *financial position*. Over time, *increases* or *decreases* in the District's net position are one indicator whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax base, and the condition of the District's capital assets to assess the overall *health* of the District.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- Governmental activities: most of the District's basic services are reported here, including general administration.
- Local taxes, tuition and state and federal aid finance most of these activities.
- Business-type-activities: the District has one (Food Service) proprietary fund as shown on pages 32, 33 and 34.

## **Reporting the District's Most Significant Funds**

### **Fund Financial Statements**

Our analysis of the District's major funds begins on page 19. The fund financial statements begin on page 28 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State law. The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

*Governmental funds:* most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation on page 29.

*Proprietary funds:* when the District charges customers for the full cost of the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

### **The District as Trustee**

#### **Reporting the District's Fiduciary Responsibilities**

The District is the trustee, or *fiduciary*, for the Unemployment Compensation Trust, Scholarship Funds and Agency Funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 36 and 37. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## THE DISTRICT AS A WHOLE

The District's *combined* net position changed from a year ago, increasing from \$7,531,000 to \$12,969,000. Looking at the net position and net expenses of governmental and business-type activities separately, different stories emerge. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental and business-type activities as of June 30, 2019.

**Table 1**  
**Net Position (in Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	50,193	19,889	270	152	50,463	20,041
Long term receivables	249	822			249	822
Capital assets	45,764	44,244	90	102	45,854	44,346
Total assets	96,206	64,955	360	254	96,566	65,209
Deferred outflows of resources	6,407	9,651			6,407	9,651
Long-term debt outstanding	47,401	23,602			47,401	23,602
Aggregate net pension liability	26,776	34,684			26,776	34,684
Other liabilities	3,725	1,221	129	23	3,854	1,244
Total liabilities	77,902	59,507	129	23	78,031	59,530
Deferred inflows of resources	11,973	7,798			11,973	7,798
Net position:						
Net investment in capital assets	(884)	21,338	90	102	(794)	21,440
Restricted	41,080	15,183			41,080	15,183
Unrestricted (deficit)	(27,458)	(29,220)	141	128	(27,317)	(29,092)
Total net position	12,738	7,301	231	230	12,969	7,531

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased \$1,775,000. Restricted net position, those restricted mainly for capital projects increased by \$25,897,000. This reflects mainly an increase in Capital Reserve funds and Capital Projects Encumbrances. Capital assets reflect the original cost of land, buildings, and equipment less the accumulated depreciation. The long term outstanding debt includes the District bonds, leases, loans and compensated absences. The District remains financially stable with an unrestricted balance of \$(27,317,000) which reflects the District's free balance minus the allowance for potential compensated absences and the net pension liability.



**Table 2**  
**Changes in Net Position (in thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<u>Revenues</u>						
Program revenues:						
Charges for Services	3,619	3,032	1,090	966	4,709	3,998
Operating Grants and Contributions	37,205	38,738	362	328	37,567	39,066
General revenues:						
Property Taxes	89,217	87,022			89,217	87,022
Tuition	341	300			341	300
Federal and State Aid	1,164	968			1,164	968
Interest and Investment Earnings	752	300	2	1	754	301
Other General Revenues	303	172			303	172
SDA Grants canceled	(469)	-	-	-	(469)	-
Total Revenues	<u>132,132</u>	<u>130,532</u>	<u>1,454</u>	<u>1,295</u>	<u>133,586</u>	<u>131,827</u>
<u>Program expenses including indirect expenses</u>						
Instruction:						
Regular	48,065	48,489			48,065	48,489
Special	16,541	16,857			16,541	16,857
Other instruction	6,196	6,366			6,196	6,366
Support services:						
Tuition	5,315	5,541			5,315	5,541
Student and instruction related services	19,071	19,282			19,071	19,282
School administrative services	7,569	7,671			7,569	7,671
General and business administrative services	6,172	5,869			6,172	5,869
Plant operations and maintenance	9,622	9,528			9,622	9,528
Pupil transportation	4,129	4,083			4,129	4,083
Special schools	2,790	2,709			2,790	2,709
Charter Schools	39	36			39	36
SDA Debt Service Assessment	77	77			77	77
Interest on long-term debt	1,108	834			1,108	834
Business-type activities:						
Food Services	-	-	1,453	1,283	1,453	1,283
Total Expenses	<u>126,694</u>	<u>127,342</u>	<u>1,453</u>	<u>1,283</u>	<u>128,147</u>	<u>128,625</u>
Increase (Decrease) in Net Position	<u>5,438</u>	<u>3,190</u>	<u>1</u>	<u>12</u>	<u>5,439</u>	<u>3,202</u>

The district as a whole provides services for the students of Fair Lawn based on a budget adopted annually in March. The budget is consistent with guidelines of the CEIFA law, combining core curriculum and financial accountability.

The district outlook reflects a community without additional land to develop and therefore expects to maintain its' current asset base. The total revenues, exclusive of the N.J. S.D.A. Grant canceled, increased by approximately \$2,069,000 with Property Taxes increasing by \$2,195,000. On the expenditure side, the difference in expenditures represents the normal increases/decreases associated with continuing staffing levels.

**THE DISTRICT'S FUNDS**  
**Governmental Activities**

**Table 3**

Information below compares revenues and expenditures for all governmental fund types for 2018-2019 and 2017-2018.

(\$000 omitted)			
<u>Revenues by Source:</u>	<u>2018-2019</u>	<u>2017-2018</u>	<u>% Change</u>
Local Tax Levy	90,287	87,818	2.81%
Tuition Charges	341	300	13.67%
Transportation Fees	50	48	4.17%
Interest Earned to Investments	752	301	149.83%
Miscellaneous	<u>2,910</u>	<u>2,407</u>	20.90%
Total - Local Sources	94,340	90,874	3.81%
State Sources	22,369	18,107	23.54%
Federal Sources	<u>1,671</u>	<u>1,651</u>	1.21%
Total Revenues	<u><u>118,380</u></u>	<u><u>110,632</u></u>	7.00%
<u>Expenditures by Function:</u>	<u>2018-2019</u>	<u>2017-2018</u>	<u>% Change</u>
<b>Current:</b>			
Regular Instruction	28,118	26,694	5.33%
Special education	10,097	9,712	3.96%
Other instruction	3,733	3,615	3.26%
<b>Support Services and undistributed costs:</b>			
Tuition	5,315	5,541	-4.08%
Student and instruction related services	12,054	11,508	4.74%
School administrative services	4,351	4,192	3.79%
General and Business administrative services	4,278	3,918	9.19%
Plant operations and maintenance	7,558	7,190	5.12%
Pupil transportation	3,105	2,861	8.53%
Employee Benefits	29,170	26,666	9.39%
Capital Outlay	3,641	1,540	136.43%
Special Schools	1,921	1,775	8.23%
Charter Schools	39	36	
Debt Service	<u>2,247</u>	<u>2,236</u>	0.49%
Total Expenditures	<u><u>115,627</u></u>	<u><u>107,484</u></u>	7.58%

The District relies on the municipality to collect local tax levy in support of the budget approved by the voters. The District also relies on the continued support of categorical state aid based on student need and financial formulas. Federal support for the district is reflected in the IDEA and NCLB grants. The district is capable of generating limited revenue by earned interest, transportation fees, tuition charges and miscellaneous revenue. The district maintains an active Community School which is very successful in providing optional and convenient programs for both students and adults. This program is service oriented using the educational facilities of the district. Based on the district's commitment to state compliance regarding curriculum standards and other student needs, approximately 75% of the budget is expended on salaries and benefits. Capital outlay represents 3.2% of the total expenditures. This reflects a minimum standard to maintain our current facilities. The District's debt service reflects 2.0% of the total expenditures.

## Business-type Activities

The District's major Enterprise Funds consist of the Food Service operation. The basic financial statements for the major funds are included in this report. Because the focus on business-type funds is a cost of service measurement or capital maintenance, we have included these funds in Table 4, which demonstrates return on ending assets and return on ending net position.

**Table 4**

(\$000 omitted)

	<u>Food Service</u>
Total Assets	360
Net Position	231
Change in Net Position	1
Return on Ending Total Assets	0.28%
Return on Ending Net Position	0.43%

The district maintains a business operation for Food Service. This is based on the district qualifying for the National School Lunch Program with a limited number of low income students. The service is provided by a third party vendor which purchases supplies, provides personnel and serves lunches at 10 locations. The Board approves the Food Service contract in compliance with the New Jersey Department of Education guidelines and establishes the cost per lunch and a la carte items.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

**Table 5**

**Capital Assets at Year-end  
(Net of Depreciation, in thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	1,660	1,660			1,660	1,660
Land Improvements	3,318	3,318			3,318	3,318
Buildings	48,184	47,972			48,184	47,972
Machinery and Equipment	9,824	9,299	351	351	10,175	9,650
Construction-in-progress	16,428	13,601	-	-	16,428	13,601
Subtotal	79,414	75,850	351	351	79,765	76,201
Accumulated Depreciation	(33,650)	(31,606)	(261)	(249)	(33,911)	(31,855)
Totals	<u>45,764</u>	<u>44,244</u>	<u>90</u>	<u>102</u>	<u>45,854</u>	<u>44,346</u>

## DEBT

At year – end the District had total debt of \$46,649,000 outstanding versus \$22,907,000 last year – an increase of 103.6% – as shown in Table 6.

**Outstanding Debt, at year-end (in thousands)**  
**Table 6**

	Governmental Activities	
	2019	2018
Serial Bonds	46,412	22,852
Loans		
Lease Purchase Agreement	236	54
Temporary Notes		
Authorized but not Issued	<u>1</u>	<u>1</u>
	<u>46,649</u>	<u>22,907</u>

An analysis of District Debt is presented in Note IV:B to the basic financial statements.

## BUDGETS

The significant variances between the originally adopted budget for the 2018-2019 year and the final budget were caused by the treatment of encumbrances that are added to the original budget and the appropriation of additional revenues. In addition, transfers are made during the year to cover necessary expenditures without causing any budgetary line to have a negative balance.

The District's unreserved surplus was 3.06% of the budgetary expenditures after all adjustments were executed. The District remains in a stable financial position.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator, Fair Lawn School District, New Jersey.

## **BASIC FINANCIAL STATEMENTS**

**Section A**  
**DISTRICT – WIDE FINANCIAL STATEMENTS**

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Statement of Net Position  
June 30, 2019**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,474,609.75	\$ 231,470.02	\$ 10,706,079.77
Receivables, net	2,595,110.11	27,776.71	2,622,886.82
Interfunds receivable	11,448.59	-	11,448.59
Inventory		10,427.62	10,427.62
Restricted assets:			
Cash and cash equivalents	24,186,918.92		24,186,918.92
Capital reserve account - cash	13,173,241.70		13,173,241.70
Capital assets, net (Note III:C.):	<u>45,764,219.23</u>	<u>89,842.05</u>	<u>45,854,061.28</u>
Total Assets	<u>96,205,548.30</u>	<u>359,516.40</u>	<u>96,565,064.70</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>6,407,278.00</u>		<u>6,407,278.00</u>
Total Deferred Outflows of Resources	<u>6,407,278.00</u>		<u>6,407,278.00</u>
<b>LIABILITIES</b>			
Accounts payable	2,395,848.85	106,037.17	2,501,886.02
Interfunds payable		6,394.00	6,394.00
Payable to state government	19,551.66		19,551.66
Bond interest payable	592,293.24		592,293.24
Unearned revenue	716,909.07	16,508.78	733,417.85
Long-term liabilities other than pensions(Note IV:B.):			
Due within one year	1,612,293.00		1,612,293.00
Due beyond one year	45,788,737.26		45,788,737.26
Aggregate net pension liability	<u>26,776,047.00</u>	<u>-</u>	<u>26,776,047.00</u>
Total liabilities	<u>77,901,680.08</u>	<u>128,939.95</u>	<u>78,030,620.03</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	<u>11,972,532.00</u>		<u>11,972,532.00</u>
Total Deferred Inflows of Resources	<u>11,972,532.00</u>		<u>11,972,532.00</u>
<b>NET POSITION</b>			
Net investment in capital assets	(883,813.77)	89,842.05	(793,971.72)
Restricted for:			
Capital projects	15,538,568.24		15,538,568.24
Debt service	(436,666.64)		(436,666.64)
Other purposes	25,978,310.03		25,978,310.03
Unrestricted	<u>(27,457,783.64)</u>	<u>140,734.40</u>	<u>(27,317,049.24)</u>
Total Net Position	<u>\$ 12,738,614.22</u>	<u>\$ 230,576.45</u>	<u>\$ 12,969,190.67</u>

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

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Statement of Activities  
For the Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
<b>Instruction:</b>							
Regular	\$ 48,065,323.80	\$ -	\$ 12,624,037.16	\$ -	\$ (35,441,286.64)	\$ -	\$ (35,441,286.64)
Special education	16,540,953.35		7,838,388.01		(8,702,565.34)		(8,702,565.34)
Other instruction	6,196,327.51		1,610,238.89		(4,586,088.62)		(4,586,088.62)
<b>Support services:</b>							
Tuition	5,315,137.76		3,434,134.17		(1,881,003.59)		(1,881,003.59)
Student and instruction related services	19,071,032.14		5,076,710.60		(13,994,321.54)		(13,994,321.54)
School administrative services	7,568,441.42		2,071,485.24		(5,496,956.18)		(5,496,956.18)
General and business administrative services	6,171,831.10		1,203,778.71		(4,968,052.39)		(4,968,052.39)
Plant operations and maintenance	9,621,846.22		1,283,092.49		(8,338,753.73)		(8,338,753.73)
Pupil transportation	4,128,775.29	50,027.50	1,454,837.04		(2,623,910.75)		(2,623,910.75)
Special schools	2,790,394.14	2,499,781.30	568,968.55		278,355.71		278,355.71
Charter Schools	39,057.00				(39,057.00)		(39,057.00)
SDA Debt Service Assessment	77,256.00				(77,256.00)		(77,256.00)
Interest on long-term debt	1,108,331.64	1,069,596.64	38,735.00		-		-
<b>Total governmental activities</b>	<b>128,694,707.37</b>	<b>3,619,405.44</b>	<b>37,204,405.88</b>		<b>(85,870,896.05)</b>		<b>(85,870,896.05)</b>
<b>Business-type activities:</b>							
Food Service	1,453,482.98	1,089,577.19	361,943.73			(1,962.06)	(1,962.06)
<b>Total business-type activities</b>	<b>1,453,482.98</b>	<b>1,089,577.19</b>	<b>361,943.73</b>			<b>(1,962.06)</b>	<b>(1,962.06)</b>
<b>Total primary government</b>	<b>\$ 128,148,190.35</b>	<b>\$ 4,708,982.63</b>	<b>\$ 37,566,349.61</b>	<b>\$ -</b>	<b>\$ (85,870,896.05)</b>	<b>\$ (1,962.06)</b>	<b>\$ (85,872,858.11)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes, levied for general purposes					\$ 89,318,034.00	\$ -	\$ 89,318,034.00
Property taxes, levied for debt service principal					(100,635.64)		(100,635.64)
Federal and State aid not restricted					1,164,307.76		1,164,307.76
Tuition (other than special schools)					340,933.04		340,933.04
Investment Earnings					752,160.57	2,251.79	754,412.36
Miscellaneous Income					303,164.72		303,164.72
N.J. School Development Authority Grants					(469,357.83)		(469,357.83)
<b>Total general revenues, special items, extraordinary items and transfers</b>					<b>91,308,606.62</b>	<b>2,251.79</b>	<b>91,310,858.41</b>
<b>Change in Net Assets</b>					<b>5,437,710.57</b>	<b>289.73</b>	<b>5,438,000.30</b>
<b>Net Assets—beginning, as restated</b>					<b>7,300,903.65</b>	<b>230,286.72</b>	<b>7,531,190.37</b>
<b>Net Assets—ending</b>					<b>\$ 12,738,614.22</b>	<b>\$ 230,576.45</b>	<b>\$ 12,969,190.67</b>

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



**Section B**  
**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Balance Sheet  
Governmental Funds  
June 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 10,472,972.58	\$ (10,035.26)	\$ 24,186,918.92	\$ 11,672.43	\$ 34,661,528.67
Interfunds receivable	892,584.43			143,954.17	836,518.60
Receivables from other governments	2,124,828.82	69,207.81	248,247.81		2,443,284.44
Tuition receivable	30,185.18				30,185.18
Other receivables	92,075.41				92,075.41
Interest receivable			29,565.08		29,565.08
Restricted cash and cash equivalents	<u>13,173,241.70</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,173,241.70</u>
<b>Total Assets</b>	<u>\$ 26,585,868.12</u>	<u>\$ 59,172.55</u>	<u>\$ 24,465,731.81</u>	<u>\$ 155,828.60</u>	<u>\$ 51,268,399.08</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 2,360,088.53	\$ 35,782.32	\$ -	\$ -	\$ 2,395,848.85
Interfunds payable			825,070.01		825,070.01
Payable to state government		19,551.88			19,551.88
Deferred revenue	<u>713,050.50</u>	<u>3,858.57</u>	<u>-</u>		<u>718,909.07</u>
<b>Total Liabilities</b>	<u>3,073,137.03</u>	<u>59,172.55</u>	<u>825,070.01</u>		<u>3,957,379.59</u>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve Account	13,173,241.70				13,173,241.70
Capital Projects			2,385,328.54		2,385,328.54
Debt Service				155,828.60	155,828.60
<b>Assigned to:</b>					
Other Purposes	4,702,974.77		21,275,335.26		25,978,310.03
Designated for Subsequent Year's Expenditures	2,825,000.00				2,825,000.00
Unassigned	<u>2,811,514.62</u>		<u>-</u>	<u>-</u>	<u>2,811,514.62</u>
<b>Total Fund Balances</b>	<u>23,512,731.09</u>	<u>-</u>	<u>23,640,661.80</u>	<u>155,828.60</u>	<u>47,309,019.49</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 26,585,868.12</u>	<u>\$ 59,172.55</u>	<u>\$ 24,465,731.81</u>	<u>\$ 155,828.60</u>	

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

Adjustment to Debt Service Fund net position for the accrual of interest expense. (592,293.24)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$79,414,348.02 and the accumulated depreciation is \$33,650,128.79. 45,764,219.23

Pension liabilities net of deferred outflows and inflows of resources (32,341,301.00)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note IV.B.) (47,401,030.26)

Net position of governmental activities \$ 12,738,614.22

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

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
Statement of Revenues, Expenditures, And Changes In Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
<b>Local sources:</b>					
Local tax levy	\$ 89,318,034.00	\$ -	\$ -	\$ 988,981.00	\$ 90,286,995.00
Tuition charges	340,933.04				340,933.04
Transportation fees	50,027.50				50,027.50
Interest earned on investments	449,501.25		143,954.17		593,455.42
Interest earned on Capital Reserve Funds	158,705.15				158,705.15
Miscellaneous	<u>2,602,946.02</u>	<u>108,578.18</u>	<u>-</u>	<u>-</u>	<u>2,909,522.20</u>
<b>Total - Local Sources</b>	<b>93,120,148.96</b>	<b>108,578.18</b>	<b>143,954.17</b>	<b>988,981.00</b>	<b>94,339,638.31</b>
State sources	22,145,810.80	184,484.34		38,735.00	22,368,809.94
Federal sources	<u>57,748.71</u>	<u>1,613,626.81</u>	<u>-</u>	<u>-</u>	<u>1,671,373.52</u>
<b>Total Revenues</b>	<b><u>115,323,504.27</u></b>	<b><u>1,904,667.33</u></b>	<b><u>143,954.17</u></b>	<b><u>1,007,696.00</u></b>	<b><u>118,379,821.77</u></b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Regular instruction	27,851,268.07	288,738.32			28,118,004.39
Special education instruction	8,978,098.47	1,118,994.00			10,097,090.47
Other instruction	3,732,685.34				3,732,685.34
<b>Support services and undistributed costs:</b>					
Tuition	5,315,137.76				5,315,137.76
Student and instruction related services	11,576,499.74	477,784.05			12,054,283.79
School administrative services	4,351,319.58				4,351,319.58
General and business administrative services	4,277,581.85				4,277,581.85
Plant operations and maintenance	7,557,720.59				7,557,720.59
Pupil transportation	3,104,568.86				3,104,568.86
Unallocated benefits	29,128,381.38	41,152.98			29,169,534.34
Special schools	1,921,467.30				1,921,467.30
Transfer to charter school	39,057.00				39,057.00
Capital outlay	814,523.51		2,826,806.48		3,641,329.99
<b>Debt service:</b>					
Principal				1,440,000.00	1,440,000.00
Interest and other charges	-	-	-	806,927.52	806,927.52
<b>Total Expenditures</b>	<b><u>108,848,285.53</u></b>	<b><u>1,904,667.33</u></b>	<b><u>2,826,806.48</u></b>	<b><u>2,246,927.52</u></b>	<b><u>115,626,686.86</u></b>
<b>Excess (Deficiency) of revenues over expenditures</b>	<b><u>6,675,218.74</u></b>	<b><u>-</u></b>	<b><u>(2,682,852.31)</u></b>	<b><u>(1,239,231.52)</u></b>	<b><u>2,753,134.91</u></b>
<b>OTHER FINANCING SOURCES AND (USES)</b>					
N.J. School Development Authority Grants			(469,357.83)		(469,357.83)
Serial Bond Proceeds			25,000,000.00		25,000,000.00
Capital leases (non-budgeted)	243,970.00				243,970.00
Transfers in				1,375,088.17	1,375,088.17
Transfers (out)	<u>(1,231,134.00)</u>		<u>(143,954.17)</u>	<u>-</u>	<u>(1,375,088.17)</u>
<b>Total Other Financing Sources and (Uses)</b>	<b><u>(987,164.00)</u></b>	<b><u>-</u></b>	<b><u>24,386,688.00</u></b>	<b><u>1,375,088.17</u></b>	<b><u>24,774,612.17</u></b>
<b>Net change in fund balances</b>	<b>5,688,054.74</b>	<b>-</b>	<b>21,703,835.69</b>	<b>135,856.65</b>	<b>27,527,747.08</b>
<b>Fund Balance—July 1</b>	<b><u>17,824,876.35</u></b>	<b><u>-</u></b>	<b><u>1,936,826.11</u></b>	<b><u>19,799.95</u></b>	<b><u>19,781,272.41</u></b>
<b>Fund Balance—June 30</b>	<b><u>\$ 23,512,731.09</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 23,640,661.80</u></b>	<b><u>\$ 155,626.60</u></b>	<b><u>\$ 47,309,019.49</u></b>

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

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2019**

Total net change in fund balances - governmental funds (from B-2) \$ 27,527,747.08

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

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The difference in accrued interest is an addition in the reconciliation. (+)

	Interest paid	\$ 808,927.52	
	Interest accrued	<u>(1,108,331.84)</u>	(301,404.12)

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	(2,043,903.18)	
	Capital outlays (exclusive of capital lease principal payments and SDA Debt Service Assessment)	<u>3,564,073.99</u>	1,520,170.81

Adjustment to Capital Assets in accordance with physical appraisal and dispositions -

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and unused sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation (+). (57,654.78)

Governmental funds report district pension contributions as expenditures. In the statement of activities, however, the cost of pension benefits earned net of employee contributions is reported as pension expense.

	District pension contributions - PERS	1,357,170.00	
	Cost of benefits earned net of employees contributions	<u>(886,781.44)</u>	490,408.56

Payment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

	Debt principal	1,440,000.00	
	Capital lease principal	62,413.00	

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

	Proceeds of long-term debt	(25,000,000.00)	
	Capital lease proceeds	(243,970.00)	

Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)

		-	
<b>Change in net position of governmental activities</b>		<u>\$ 5,437,710.57</u>	

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

**PROPRIETARY FUNDS**

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Statement of Net Position  
Proprietary Funds  
June 30, 2019**

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Food Service</u>	<u>Totals</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 231,470.02	\$ 231,470.02
Accounts receivable	22,870.35	22,870.35
Other receivables	4,906.36	4,906.36
Inventories	<u>10,427.62</u>	<u>10,427.62</u>
Total Current Assets	<u>269,674.35</u>	<u>269,674.35</u>
Noncurrent assets:		
Furniture, machinery and equipment	351,038.82	351,038.82
Less accumulated depreciation	<u>(261,196.77)</u>	<u>(261,196.77)</u>
Total Noncurrent Assets	<u>89,842.05</u>	<u>89,842.05</u>
Total Assets	<u>359,516.40</u>	<u>359,516.40</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	106,037.17	106,037.17
Interfund Payable	6,394.00	6,394.00
Unearned revenue	<u>16,508.78</u>	<u>16,508.78</u>
Total Current Liabilities	<u>128,939.95</u>	<u>128,939.95</u>
<b>NET POSITION</b>		
Net Investment in capital assets	89,842.05	89,842.05
Unrestricted	<u>140,734.40</u>	<u>140,734.40</u>
Total Net Position	<u>\$ 230,576.45</u>	<u>\$ 230,576.45</u>

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

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2019

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Food Service</b>	<b>Totals</b>
<b>Operating Revenues:</b>		
Charges for services:		
Daily sales - reimbursable programs	\$ 557,530.36	\$ 557,530.36
Daily sales - non-reimbursable programs	458,647.00	458,647.00
Special functions	73,399.83	73,399.83
Total Operating Revenues	<u>1,089,577.19</u>	<u>1,089,577.19</u>
<b>Operating Expenses:</b>		
Cost of sales - reimbursable programs	421,211.17	421,211.17
Cost of sales - non-reimbursable programs	133,007.00	133,007.00
Salaries	497,884.88	497,884.88
Employee benefits	124,413.20	124,413.20
Administration and management fees	95,369.35	95,369.35
General supplies	122,671.68	122,671.68
Other purchased services	46,546.47	46,546.47
Depreciation	12,379.23	12,379.23
Total Operating Expenses	<u>1,453,482.98</u>	<u>1,453,482.98</u>
Operating Income (Loss)	<u>(363,905.79)</u>	<u>(363,905.79)</u>
<b>Nonoperating Revenues (Expenses):</b>		
State sources:		
State school lunch program	13,906.44	13,906.44
Federal sources:		
National school lunch program	263,860.70	263,860.70
Food distribution program	84,176.59	84,176.59
Interest and investment revenue	2,251.79	2,251.79
Total Nonoperating Revenues (Expenses)	<u>364,195.52</u>	<u>364,195.52</u>
Income (loss) before contributions and transfers	289.73	289.73
Transfers in (out)	-	-
Change in Net Position	289.73	289.73
Tot: Net Position—beginning	<u>230,286.72</u>	<u>230,286.72</u>
Tot: Net Position—ending	<u>\$ 230,576.45</u>	<u>\$ 230,576.45</u>

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



**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Food Service</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 1,090,709.12	\$ 1,090,709.12
Payments to employees	(497,884.88)	(497,884.88)
Payments for employee benefits	(124,413.20)	(124,413.20)
Payments to suppliers	(708,176.29)	(708,176.29)
Net cash provided by (used for) operating activities	<u>(237,765.25)</u>	<u>(237,765.25)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	13,906.44	13,906.44
Federal Sources	348,037.29	348,037.29
Operating subsidies and transfers to other funds	-	-
Net cash provided by (used for) non-capital financing activities	<u>361,943.73</u>	<u>361,943.73</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends	2,251.79	2,251.79
Net cash provided by (used for) investing activities	<u>2,251.79</u>	<u>2,251.79</u>
Net increase (decrease) in cash and cash equivalents	128,430.27	128,430.27
Balances—beginning of year	<u>105,039.75</u>	<u>105,039.75</u>
Balances—end of year	<u>\$ 231,470.02</u>	<u>\$ 231,470.02</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>		
Operating income (loss)	\$ (363,905.79)	\$ (363,905.79)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and net amortization	12,379.23	12,379.23
(Increase) decrease in accounts receivable, net	1,688.05	1,688.05
(Increase) decrease in inventories	6,592.21	6,592.21
Increase (decrease) in accounts payable	108,037.17	108,037.17
Increase (decrease) in unearned revenue	(556.12)	(556.12)
Total adjustments	<u>126,140.54</u>	<u>126,140.54</u>
Net cash provided by (used for) operating activities	<u>\$ (237,765.25)</u>	<u>\$ (237,765.25)</u>

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

**FIDUCIARY FUNDS**

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2019**

	<b>Unemployment Compensation <u>Trust</u></b>	<b>Agency <u>Fund</u></b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 705,652.32	\$ 775,780.41
Total Assets	<u>\$ 705,652.32</u>	<u>\$ 775,780.41</u>
<b>LIABILITIES</b>		
Payable to district	\$ -	\$ 5,054.59
Payable to student groups		327,964.07
Payroll deductions and withholdings		442,761.75
Section 125 Plan		-
Total Liabilities		<u>\$ 775,780.41</u>
<b>NET POSITION</b>		
Held in trust for unemployment claims and other purposes	<u>\$ 705,652.32</u>	
Reserved for leases		

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

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2019**

	<b>Unemployment Compensation <u>Trust</u></b>
<b>ADDITIONS</b>	
Contributions:	
Plan member	\$ 151,436.89
Board of Education	-
Total Contributions	<u>151,436.89</u>
Investment earnings:	
Interest	<u>5,351.90</u>
Net investment earnings	<u>5,351.90</u>
Total Additions	<u>156,788.79</u>
<b>DEDUCTIONS</b>	
Unemployment claims	112,611.42
Administrative expenses	-
Total Deductions	<u>112,611.42</u>
Change in Net Position	44,177.37
Net Position—beginning	<u>661,474.95</u>
 Net Position—ending	 <u>\$ 705,652.32</u>

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note I: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Board of Education (Board) of the Borough of Fair Lawn School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

B. Reporting Entity

The Borough of Fair Lawn School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include six elementary, two middle and one senior high schools located in Fair Lawn. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

C. Basic Financial Statements- Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service program is classified as business-type activity.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note I: Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements- Government-Wide Statements

The government-wide Statement of Activities reports both the gross and net costs of each of the District's functions and business-type activities. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student and instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

- a. The District allocates indirect costs such as on-behalf TPAF Pension Contributions, on-behalf TPAF and PERS OPEB Contributions and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are excluded from the government-wide financial statements.

D. Basic Financial Statements- Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the GASB criteria are applied to proprietary funds.

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note I: Summary of Significant Accounting Policies (Continued)

D. Basic Financial Statements- Fund Financial Statements (Continued)

The following fund types are used by the District:

Governmental Fund Types

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund – The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution and, excluding equipment, with County Superintendent approval.

Special Revenue Fund – The Special Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Permanent Fund – A permanent fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.



BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note I: Summary of Significant Accounting Policies (Continued)

D. Basic Financial Statements- Fund Financial Statements (Continued)

Fund Balances -- Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

**Nonspendable** -- includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

**Restricted** -- includes amounts restricted by external sources (creditors, laws or other governments, etc.) or by constitutional provision or enabling legislation.

**Committed** -- includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

**Assigned** -- includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

**Unassigned** -- includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is uncured for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds as needed.

Proprietary Fund Type

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The generally accepted accounted principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

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

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note I: Summary of Significant Accounting Policies (Continued)

D: Basic Financial Statements- Fund Financial Statements (Continued)

The District's Enterprise Fund is comprised of the Food Service Fund.

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

Food Service Fund:	
Equipment	12 Years
Light Trucks and Vehicle	4 Years
Heavy Trucks and Vehicle	6 Years

Fiduciary Fund Types

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (Unemployment Compensation, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

E. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement of focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when incurred.

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note I: Summary of Significant Accounting Policies (Continued)

E. Basis of Accounting (Continued)

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

3. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient. Program revenues, including tuition revenue, are reported as reductions to expenses in the Statement of Activities.

4. Expenditures:

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period of purchase.

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November.

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note I: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control (Continued)

Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2.2(f). All budget amendments must be approved by School Board resolution. Appropriation of additional revenue in the amount of \$783,840.00 and prior year encumbrances in the amount of \$2,780,700.42 were made during the year ended June 30, 2019. The Board of Education approved the following material budgetary appropriation transfers during the school year:

<u>Account Name</u>	<u>Amount</u>
<b>Regular Programs – Instruction</b>	
Grades 1-5 - Salaries of Teachers	(220,110.19)
Grades 9-12 - Salaries of Teachers	(163,820.60)
<b>Cognitive - Moderate:</b>	
Salaries of Teachers	136,666.05
<b>Learning and/or Language Disabilities:</b>	
Salaries of Teachers	113,601.35
Other Salaries for Instruction	(231,740.91)
<b>Resource Room/Resource Center:</b>	
Salaries of Teachers	312,397.88
<b>Autism:</b>	
Salaries of Teachers	153,514.68
Other Salaries for Instruction	130,179.92
<b>Preschool Disabilities – Part-Time:</b>	
Salaries of Teachers	100,773.77
<b>Preschool Disabilities – Full-Time:</b>	
Salaries of Teachers	(281,416.54)
Other Salaries for Instruction	(276,354.92)
<b>Undistributed Expenditures – Instruction:</b>	
Tuition to Other LEAs Within the State - Special	(157,992.00)
Tuition to CSSD & Regional Day Schools	175,368.71
<b>Undist. Expend. – Health Services</b>	
Purchased Professional and Technical Services	(104,786.51)
<b>Undist. Expend. – Speech, OT, PT &amp; Related Services</b>	
Purchased Professional – Educational Services	(132,004.42)
<b>Undist. Expend. – Child Study Team</b>	
Salaries of Other Professional Staff	(120,488.27)
Purchased Professional – Educational Services	120,321.46
<b>Undist. Expend. – Supp. Serv. – General Admin.</b>	
Other Purchased Professional Services	128,578.82
Judgements Against the School District	(130,000.00)
<b>Undist. Expend. – Support Serv. – School Admin.</b>	
Salaries of Principals/Assistant Principals	200,767.59
<b>Undist. Expend. – Central Services</b>	
Salaries	101,473.87
<b>Undist. Expend. – Admin. Info. Technology</b>	
Salaries	(103,258.20)
<b>Undist. Expend. – Custodial Services:</b>	
Salaries	(103,608.93)
Purchased Professional and Technical Services	141,694.70
Cleaning, Repair and Maintenance Services	115,744.27
<b>Undist. Expend. – Student Transportation Serv.</b>	
Contracted Services (Special Education Students) - Vendors	258,293.48

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note I: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control (Continued)

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

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

The special revenue fund had no encumbrances at June 30, 2019.

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note I: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control (Continued)

The reconciliation of the general and special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting is as follows.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 115,609,212.27	\$ 1,904,667.33
Difference - budget to GAAP:		
The last two State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense in accordance with GASB 33.	(285,708.00)	-
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 115,323,504.27</u>	<u>\$ 1,904,667.33</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 108,404,315.53	\$ 1,904,667.33
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 108,404,315.53</u>	<u>\$ 1,904,667.33</u>

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity

1. Deposits and Investments

Deposits are cash and cash equivalents including petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Other than Certificates of Deposit, deposits with maturities of greater than three months are considered to be Investments. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

2. Short – term Interfund Receivables/Payables

Short – term interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

3. Inventories and Prepaid Expenses

Inventories, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.

Prepaid expenses represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

4. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on the following assets is provided on the straight – line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and Equipment	5-10 years
Land Improvements	10-20 years
Other Infrastructure	10-50 years

Land and Construction in Progress are not depreciated.

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

4. Capital Assets (Continued)

GASB No. 34 requires the District to report and depreciate new infrastructure assets effective with the beginning of the current year. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006.

5. Compensated Absences

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government – wide presentations. (See Note XII)

6. Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.



BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

7. Long – term Obligations

Long – term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long – term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government – wide presentations.

8. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

9. Net Position

Net Position represents the difference between assets and liabilities in the District-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the District-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

10. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

11 Allocation of Costs

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the original budgetary expenditures by program.

H. Recent Accounting Pronouncements Not Yet Effective

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 “Leases”. This statement, which is effective for fiscal periods beginning after December 15, 2019, could have significant effects on the entity’s financial reporting and the provisions of this statement could require significant modifications to disclosure requirements.

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**

**NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note II. Reconciliation of Government Wide and Fund Financial Statements**

**Explanation of Differences between Governmental Funds Balance Sheet and the Statement of Net Position**

"Total fund balances" of the District's governmental funds in B-1 differs from "net position" of governmental activities reported in the statement of net position in A-1. This difference primarily results from the long - term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets.

	<u>Balance Sheet/Statement of Net Position</u>			Statement of Net Position Totals
<u>Assets</u>	Total Governmental Funds	Long - term Assets Liabilities (1)	Reclassifications and Eliminations	
Cash and cash equivalents	\$ 34,661,528.67	\$ -	\$ (24,186,918.92)	\$ 10,474,609.75
Receivables, net			2,595,110.11	2,595,110.11
Interfund Receivables	836,518.60		(825,070.01)	11,448.59
Receivables from Other Governments	2,443,284.44		(2,443,284.44)	-
Tuition Receivable	30,185.18		(30,185.18)	-
Other Receivables	121,640.49		(121,640.49)	-
Restricted assets:				
Cash and cash equivalents			24,186,918.92	24,186,918.92
Capital Reserve Account - cash	13,173,241.70			13,173,241.70
Capital Assets, net	-	45,764,219.23	-	45,764,219.23
<b>Total Assets</b>	<b>51,266,399.08</b>	<b>45,764,219.23</b>	<b>(825,070.01)</b>	<b>96,205,548.30</b>
<u>Deferred Outflows of Resources</u>				
Deferred outflows related to pensions		6,407,278.00		6,407,278.00
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>6,407,278.00</b>	<b>-</b>	<b>6,407,278.00</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 51,266,399.08</b>	<b>\$ 52,171,497.23</b>	<b>\$ (825,070.01)</b>	<b>\$ 102,612,826.30</b>
<u>Liabilities</u>				
Accounts Payable	\$ 2,395,848.85	\$ -	\$ -	\$ 2,395,848.85
Interfunds Payable	825,070.01		(825,070.01)	-
Payable to State Government	19,551.66			19,551.66
Bond Interest Payable			592,293.24	592,293.24
Unearned Revenue	716,909.07			716,909.07
Noncurrent Liabilities	-	73,424,080.00	752,997.26	74,177,077.26
<b>Total Liabilities</b>	<b>3,957,379.59</b>	<b>73,424,080.00</b>	<b>520,220.49</b>	<b>77,901,680.08</b>
<u>Deferred Inflows of Resources</u>				
Deferred inflows related to pensions		11,972,532.00		11,972,532.00
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>11,972,532.00</b>	<b>-</b>	<b>11,972,532.00</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>3,957,379.59</b>	<b>85,396,612.00</b>	<b>520,220.49</b>	<b>89,874,212.08</b>
<u>Fund Balances/Net Position</u>				
<u>Net Position</u>				
Net investment in capital assets		(883,813.77)		(883,813.77)
Restricted for:				
Capital projects	15,538,568.24			15,538,568.24
Debt Service	155,626.60		(592,293.24)	(436,666.64)
Other purposes	25,978,310.03			25,978,310.03
Unrestricted	5,636,514.62	(32,341,301.00)	(752,997.26)	(27,457,783.64)
<b>Total Fund Balances/Net Position</b>	<b>47,309,019.49</b>	<b>(33,225,114.77)</b>	<b>(1,345,290.50)</b>	<b>12,738,614.22</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances/Net Position</b>	<b>\$ 51,266,399.08</b>	<b>\$ 52,171,497.23</b>	<b>\$ (825,070.01)</b>	<b>\$ 102,612,826.30</b>

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note II: Reconciliation of Government Wide and Fund Financial Statements (Continued)

Explanation of Differences between Governmental Funds Balance Sheet and the Statement of Net Position (Continued)

1. When Capital Assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District as a whole.

Cost of capital assets	\$ 79,414,348.02
Accumulated depreciation	<u>(33,650,128.79)</u>
	<u>\$ 45,764,219.23</u>

Long - term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long - term are reported in the statement of net position.

Net PERS Pension Liability	\$ 26,776,047.00
Deferred outflows related to pensions	(6,407,278.00)
Deferred inflows related to pensions	<u>11,972,532.00</u>
	<u>\$ 32,341,301.00</u>

Serial Bonds	\$ 46,412,000.00
Capital Leases	236,033.00
Compensated Absences	<u>752,997.26</u>
	<u>\$ 47,401,030.26</u>

Adjustment to Debt Service Fund net position for the accrual of interest expense.

\$ (592,293.24)

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note II. Reconciliation of Government Wide and Fund Financial Statements (Continued)

Explanation of Differences between Governmental Funds Operating Statement of Activities

The "net change in fund balances" for governmental funds in B-2 differs from the "change in net position" for governmental activities reported in the statement of activities in A-2. The difference arises primarily for the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities

Revenues and Other Sources	Total Governmental Funds	Long-term Revenue Expenses (2)	Capital Related Items (2)	Long-term Debt Transactions (4)	Reclassifications and Eliminations (3)	Statement of Activities Totals
Local Tax Levy	\$ 90,286,993.00	\$ -	\$ -	\$ -	\$ -	\$ 90,286,993.00
Tuition Charges	340,933.04					340,933.04
Transportation Fees	50,027.50					50,027.50
Interest Earned on Investments	752,160.57					752,160.57
Miscellaneous	2,909,522.20					2,909,522.20
State Sources	22,368,809.94				14,221,954.00	36,590,763.94
Federal Sources	1,671,373.52					1,671,373.52
<b>Total</b>	<b>\$ 118,379,821.77</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,221,954.00</b>	<b>\$ 132,601,775.77</b>
<b>Expenditures</b>						
Current:						
Regular instruction	\$ 28,118,004.39	\$ -	\$ 1,278,701.47	\$ 374,554.51	\$ 18,294,063.43	\$ 48,065,323.80
Special education	10,097,090.47		231,677.49	125,361.42	6,086,823.97	16,540,953.35
Other instruction	3,732,643.34		21,164.15	56,083.12	2,386,392.90	6,196,327.51
Support Services and undistributed costs:						
Tuition	5,315,137.76					5,315,137.76
Student and instruction related services	12,034,283.79		79,287.83	140,661.18	6,796,799.34	19,071,032.14
School administrative services	4,351,319.56		33,353.81	93,450.24	3,090,317.81	7,568,441.42
General and business administrative services	4,277,561.85		40,438.71	74,638.27	1,779,192.27	6,171,831.10
Plant operations and maintenance	7,557,720.59		120,252.48	24,504.62	1,919,368.53	9,621,846.22
Pupil transportation	3,104,566.96		228,445.16	(44,657.94)	840,421.11	4,128,775.29
Unallocated Benefits	29,169,534.34				(29,169,534.34)	-
Special Schools	1,921,467.30		10,582.08	17,405.78	840,938.98	2,790,394.14
Transfer to Charter School	39,057.00					39,057.00
Capital Outlay	3,641,329.99		(3,364,073.99)			77,256.00
Debt Service:						
Principal	1,440,000.00			(1,440,000.00)		-
Interest	806,927.52	301,404.12				1,108,331.64
<b>Total</b>	<b>115,626,686.86</b>	<b>301,404.12</b>	<b>(1,320,170.81)</b>	<b>(377,996.80)</b>	<b>12,864,784.00</b>	<b>126,694,707.37</b>
Other Financing Uses/Changes in Net Assets:						
N.J. School Development Authority Grants	(469,357.83)					(469,357.83)
Bonds Proceeds	25,000,000.00			\$ (25,000,000.00)		-
Capital Leases	243,970.00			(243,970.00)		-
<b>Total</b>	<b>24,774,612.17</b>	<b>-</b>	<b>-</b>	<b>(25,243,970.00)</b>	<b>-</b>	<b>(469,357.83)</b>
<b>Net Change for the Year</b>	<b>\$ 27,527,747.08</b>	<b>\$ (301,404.12)</b>	<b>\$ 1,520,170.81</b>	<b>\$ (24,665,973.20)</b>	<b>\$ 1,357,170.00</b>	<b>\$ 5,437,710.57</b>

2. In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliations. (+)

\$ (301,404.12)

3. Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount which capital outlays exceeded depreciation in the period.

Depreciation expense	\$ (2,043,903.18)
Capital outlays (exclusive of capital lease principal payments and SDA Debt service Assessment)	3,364,073.99
	\$ 1,320,170.81

3. Adjustment to Capital Assets in accordance with physical appraisal

\$ -

3. In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balances by the cost of the asset removed. (-)

\$ -

4. In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

\$ (37,634.76)

Governmental funds report district pension contributions as expenditures. In the statement of activities, however, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Cost of benefits earned net of employee contributions	(866,761.44)
---	--------------

Payment of long-term liability principal is an expenditure in the government funds, but the payment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Debt principal	1,440,000.00
Capital lease principal	62,413.00
	\$ 377,996.80

4. Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities, issuing debt increases long-term liabilities in the statement of net assets.

Proceeds from long-term debt	\$ (25,000,000.00)
Capital lease proceeds	(243,970.00)
	\$ (25,243,970.00)

5. Allocate Benefits expenditures and eliminate PERS contribution (\$1,357,170.00)

5. GASB 68 and 75 adjustments. Replace OPEB on-behalf payments and revenues with Pension and DPEB Expenses and Revenues (\$14,221,954.00)

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note III: Detailed Disclosure Regarding Assets and Revenues

A. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

At June 30, 2019 the Borough of Fair Lawn School District's cash and cash equivalent's amounted to \$35,706,133.95. Of this amount, \$500,000.00 was covered by federal depository insurance (F.D.I.C.) and \$9,499,835.90 was covered by a collateral pool maintained by the banks as required by GUDPA.

At June 30, 2019 the Borough of Fair Lawn School District's participation in the State of New Jersey Cash Management Fund amounted to \$22,711,737.58.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires the disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Borough of Fair Lawn School District will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party.

As of June 30, 2019, \$22,711,737.58 of the Borough of Fair Lawn School District's cash and cash equivalents of \$35,706,133.95 was exposed to custodial credit risk as follows:

Uninsured and collateral held by public depository or by its' trust department not in the Borough of Fair Lawn School District's name	<u>\$22,711,737.58</u>
	<u>\$22,711,737.58</u>

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note III: Detailed Disclosure Regarding Assets and Revenues (Continued)

A. Deposits and Investments (Continued)

Investments

New Jersey statutes (N.J.S.A. 18A:20-37) permit the Borough of Fair Lawn School District to purchase the following types of securities:

a. When authorized by resolution adopted by a majority vote of all its members the board of education of any school district may use moneys which may be in hand for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the school district;

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the school district or bonds or other obligations of local unit or units within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by school district;

(6) Local government investment pools;

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) or

(8) Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than 30 days;

(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Fair Lawn School District had no investments as described in Note I:G.1 at June 30, 2019.

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note III: Detailed Disclosure Regarding Assets and Revenues (Continued)

B. Interfund Receivables and Payables

As of June 30, 2019, interfund receivables and payables resulting from various interfund transactions were as follows:

	<u>Due from</u> <u>Other Funds</u>	<u>Due to</u> <u>Other Funds</u>
General Fund	\$ 692,564.43	\$
Capital Projects Fund		825,070.01
Debt Service Fund	143,954.17	
Enterprise Fund		6,394.00
Trust and Agency Fund	<u>-</u>	<u>5,054.59</u>
	<u>\$836,518.60</u>	<u>\$836,518.60</u>

New Jersey statute requires that interest earned on the investments in capital projects fund be credited to the general fund or debt service based on Board resolution. In accordance with Board resolution, accrued interest as of June 30, 2019 in the amount of \$143,954.17 was transferred to debt service fund to offset future interest payments to bondholders. Accordingly, an interfund accounts receivable and payable for \$143,954.17 was established in the debt service and capital projects funds, respectively.

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note III: Detailed Disclosure Regarding Assets and Revenues (Continued)

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustment</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,659,622.89	\$ -	\$ -	\$ 1,659,622.89
Construction in Progress	<u>13,601,637.89</u>	<u>2,826,806.48</u>	<u>-</u>	<u>16,428,444.37</u>
Total Capital assets not being depreciated	<u>15,261,260.78</u>	<u>2,826,806.48</u>	<u>-</u>	<u>18,088,067.26</u>
Land Improvements	3,317,759.00			3,317,759.00
Buildings and Improvements	47,972,243.32	212,099.50		48,184,342.82
Machinery and Equipment	<u>9,299,010.93</u>	<u>525,168.01</u>	<u>-</u>	<u>9,824,178.94</u>
Totals at historical cost	<u>60,589,013.25</u>	<u>737,267.51</u>	<u>-</u>	<u>61,326,280.76</u>
Less accumulated depreciation for:				
Land Improvements	(2,270,670.47)	(98,463.47)		(2,369,133.94)
Buildings and Improvements	(21,975,384.91)	(959,744.10)		(22,935,129.01)
Machinery and Equipment	<u>(7,360,170.23)</u>	<u>(985,695.61)</u>	<u>-</u>	<u>(8,345,865.84)</u>
Total accumulated depreciation	<u>(31,606,225.61)</u>	<u>(2,043,903.18) (1)</u>	<u>-</u>	<u>(33,650,128.79)</u>
Net capital assets being depreciated	<u>28,982,787.64</u>	<u>(1,306,635.67)</u>	<u>-</u>	<u>27,676,151.97</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 44,244,048.42</u>	<u>\$ 1,520,170.81</u>	<u>\$ -</u>	<u>\$ 45,764,219.23</u>
<b>Business - type activities:</b>				
Equipment	\$ 351,038.82	\$ -	\$ -	\$ 351,038.82
Less accumulated depreciation	<u>(248,817.54)</u>	<u>(12,379.23)</u>	<u>-</u>	<u>(261,196.77)</u>
<b>Business - type activities capital assets, net</b>	<u>\$ 102,221.28</u>	<u>\$ (12,379.23)</u>	<u>\$ -</u>	<u>\$ 89,842.05</u>

(1) Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,278,701.47
Special Education	231,677.49
Other Instruction	21,164.15
Student and Instruction Related Services	79,287.83
School Administrative Services	33,353.81
General and Business Administrative Services	40,438.71
Plant Operations and Maintenance	120,252.48
Pupil Transportation	228,445.16
Special Schools	<u>10,582.08</u>
	<u>\$ 2,043,903.18</u>



BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note IV: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

A. Operating Leases

The District has commitments to lease copying equipment under operating leases which expire in 2022. Total operating lease payments made during the year ended June 30, 2019 were \$111,234.96. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2020	\$ 111,234.96
June 30, 2021	111,234.96
June 30, 2022	<u>105,180.24</u>
 Total future minimum lease payments	 \$ <u>327,650.16</u>

B. Long - Term Liabilities

Long - Term liability activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental activities:</b>					
Long - Term debt:					
Serial Bonds	\$ 22,852,000.00	\$ 25,000,000.00	\$ (1,440,000.00)	\$ 46,412,000.00	\$ 1,500,000.00
Total debt payable	<u>22,852,000.00</u>	<u>25,000,000.00</u>	<u>(1,440,000.00)</u> (1)	<u>46,412,000.00</u>	<u>1,500,000.00</u>
<b>Other liabilities:</b>					
Compensated absences	695,342.50	174,834.76	(117,180.00)	752,997.26	49,880.00
Capital leases	54,476.00	243,970.00	(62,413.00)	236,033.00	62,413.00
Total other liabilities	<u>749,818.50</u>	<u>418,804.76</u>	<u>(179,593.00)</u> (2)	<u>989,030.26</u>	<u>112,293.00</u>
<b>Governmental activities</b>					
long - term liabilities	<u>23,601,818.50</u>	<u>25,418,804.76</u>	<u>(1,619,593.00)</u>	<u>47,401,030.26</u>	<u>1,612,293.00</u>

(1) Paid by debt service fund

(2) Paid by general fund

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note IV: Detailed Disclosure Regarding Liabilities and Expenses/Expenditures (Continued)

B. Long – Term Liabilities (Continued)

1. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Serial Bonds outstanding as of June 30, 2019 consisted of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Refunding Bonds of 2012	Various	2/15	2/15/30	\$ 6,515,000.00	\$ 4,605,000.00
Refunding Bonds of 2013	Various	2/15	2/15/30	9,950,000.00	7,705,000.00
Various Improv. of 2015	Various	3/1	3/1/35	10,677,000.00	9,102,000.00
Various Improv. of 2019	Various	9/1	9/1/43	<u>25,000,000.00</u>	<u>25,000,000.00</u>
				<u>\$54,284,000.00</u>	<u>\$46,412,000.00</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$1,500,000.00	\$1,645,680.58	\$3,145,680.58
2021	2,230,000.00	1,513,865.02	3,743,865.02
2022	2,315,000.00	1,438,793.15	3,753,793.15
2023	2,350,000.00	1,356,533.78	3,706,533.78
2024	2,390,000.00	1,273,165.03	3,663,165.03
2025	2,435,000.00	1,188,658.78	3,623,658.78
2026	2,470,000.00	1,102,815.03	3,572,815.03
2027	2,520,000.00	1,015,905.65	3,535,905.65
2028	2,565,000.00	927,580.65	3,492,580.65
2029	2,610,000.00	837,890.03	3,447,890.03
2030	2,650,000.00	750,458.77	3,400,458.77
2031	1,630,000.00	657,649.39	2,287,649.39
2032	1,690,000.00	606,086.88	2,296,086.88
2033	1,740,000.00	551,818.13	2,291,818.13
2034	1,800,000.00	495,896.25	2,295,896.25
2035	1,852,000.00	438,080.63	2,290,080.63
2036	1,200,000.00	378,631.26	1,578,631.26
2037	1,250,000.00	339,568.76	1,589,568.76
2038	1,295,000.00	297,403.13	1,592,403.13
2039	1,320,000.00	253,275.00	1,573,275.00
2040	1,320,000.00	207,900.00	1,527,900.00
2041	1,320,000.00	161,700.00	1,481,700.00
2042	1,320,000.00	115,500.00	1,435,500.00
2043	1,320,000.00	69,300.00	1,389,300.00
2044	<u>1,320,000.00</u>	<u>23,100.00</u>	<u>1,343,100.00</u>
	<u>\$46,412,000.00</u>	<u>\$ 17,647,255.90</u>	<u>\$64,059,255.90</u>

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note IV: Detailed Disclosure Regarding Liabilities and Expenses/Expenditures (Continued)

B. Long – Term Liabilities (Continued)

2. Temporary Notes

There were no Temporary Notes outstanding as of June 30, 2019.

3. Bonds Authorized But Not Issued

There were authorized but not issued bonds as of June 30, 2019 in the amount of \$986.00.

4. Capital Leases Payable

The District is leasing buses totaling \$312,065.00 under capital leases. The capital lease is for the term of five years. The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2019.

<u>Year</u>	<u>Amount</u>
2020	\$62,413.00
2021	62,413.00
2022	62,413.00
2023	48,794.00
	<hr/>
Total minimum lease payments	236,033.00
Less: Amount representing interest	-0-
	<hr/>
Present value of net minimum Lease payments	\$236,033.00

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note V: Detailed Disclosure Regarding Fund Equity

A. Capital Reserve Account

Capital reserve accounts may be established by New Jersey school districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

During fiscal year 1991-1992 the Board passed a resolution for the establishment of a capital reserve account. The 1992-1993 certified budget included an increase in the capital reserve account of \$3,500,000.00 comprised of a voter approved transfer from unreserved fund balance.

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

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note V: Detailed Disclosure Regarding Fund Equity (Continued)

A. Capital Reserve Account (Continued)

A summary of the account's transactions is as follows:

1992-1993 Budget (described above)	\$3,500,000.00
For the period 7/1/92 – 6/30/13:	
Investment Income	291,237.31
Resolution (Unreserved Fund Balance)	4,165,566.36
Transfer from Fund 30	34,655.65
Budgetary Expenditures	(5,482,699.88)
2013-2014 Resolution (Unreserved Fund Balance)	3,265,282.29
2013-2014 Investment Income	1,629.70
2013-2014 Budget Expenditures	(1,250,000.00)
2014-2015 Resolution (Unreserved Fund Balance)	2,471,625.04
2014-2015 Investment Income	1,488.71
2014-2015 Transfer to Fund 30	(1,601,070.00)
2014-2015 Transfer to Fund 40	(500,000.00)
2014-2015 Budget Expenditures	(500,000.00)
2015-2016 Resolution (Unreserved Fund Balance)	2,593,348.53
2015-2016 Investment Income	3,210.99
2015-2016 Budget Expenditures	(637,390.00)
2016-2017 Resolution (Unreserved Fund Balance)	3,582,973.94
2016-2017 Investment Income	3,595.07
2016-2017 Budget Expenditures	2,894,736.00
2017-2018 Resolution (Unreserved Fund Balance)	3,855,179.12
2017-2018 Investment Income	64,414.59
2017-2018 Budget Expenditures	(231,453.00)
2018-2019 Resolution (Unreserved Fund Balance)	4,017,357.77
2018-2019 Investment Income	158,705.15
2018-2019 Budget Expenditures	(1,739,679.64)
 Balance June 30, 2019	 <u>\$13,173,214.70</u>

The June 30, 2019 LRF balance of local support costs of uncompleted capital projects at June 30, 2019 is \$14,956,800.00.

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note VI: Pension Plans

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost sharing plan with special funding situations as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The PERS is considered a cost sharing multiple-employer defined benefit plan. The DCRP is considered a cost sharing multiple-employer defined contribution plan.

The Public Employees' Retirement System (PERS) was established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system.

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

The following represents the membership tiers for PERS:

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

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

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note VI: Pension Plans (Continued)

The Teachers' Pension and Annuity Fund (TPAF) was established in 1955, under the provisions of N.J.S.A. 18:66, to provide coverage including post-retirement health care to substantially all full-time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 for post-retirement health care coverage.

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members before age 62 with 25 or more years of service credit and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq.). The DCRP is a cost sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq..

According to the state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement systems terminate. The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

**Note VI: Pension Plans (Continued)**

**Contribution Requirements**

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the employer. The employer's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2019, the employer's pension contribution was less than the actuarial determined amount.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2019, the State's pension contribution was less than the actuarial determined amount.

The District's total payroll for the year ended June 30, 2019 was \$59,346,159.37 and covered payroll was \$42,459,901.00 for TPAF, \$9,160,723.00 for PERS and \$3,765,092.51 for DCRP. Contributions to the TPAF, PERS and the DCRP for the last three years made by the employees, Borough of Fair Lawn and the State were as follows:

		<u>TPAF</u>	Percent of <u>Covered Payroll</u>	<u>PERS</u>	Percent of <u>Covered Payroll</u>	<u>DCRP</u>	Percent of <u>Covered Payroll</u>
Employees	6/30/17	\$2,904,576.44	7.27 %	\$ 686,562.84	7.29 %	\$198,916.89	5.50 %
	6/30/18	2,999,399.62	7.38 %	690,165.63	7.40 %	201,159.66	5.50 %
	6/30/19	3,215,201.94	7.57 %	698,109.74	7.62 %	207,080.09	5.50%
District	6/30/17	N/A	N/A %	1,354,684.00	14.39 %	108,449.95	3.00 %
	6/30/18	N/A	N/A %	1,394,926.44	14.96 %	109,723.30	3.00 %
	6/30/19	N/A	N/A %	1,357,170.00	14.82 %	112,952.78	3.00 %
State of NJ	6/30/17	4,274,344.00	10.69 %	N/A	N/A %	N/A	N/A %
	6/30/18	5,645,186.00	13.89 %	N/A	N/A %	N/A	N/A %
	6/30/19	7,636,260.00	17.98 %	N/A	N/A %	N/A	N/A %

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,003,177.60 during the year ended June 30, 2019 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount and the State of New Jersey's Contribution to the TPAF and PERS for OPEB have been included in the basic financial statements and the budgetary comparison schedule – General Fund as a revenue and expenditure in accordance with GASB 24.



BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note VII: Public Employees Retirement System

**Summary of Significant Accounting Policies**

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

At June 30, 2019, the District reported a liability of \$26,776,047.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District's proportion was 0.1359914937%, which was a decrease of 8.73% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$853,918. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 510,623	\$ 138,066
Changes of assumptions	4,412,249	8,561,556
Net difference between projected and actual earnings on pension plan investments		251,160
Changes in proportion and differences between District contributions and proportionate share of contributions	127,236	3,021,750
District contributions subsequent to the measurement date	<u>1,357,170</u>	
Total	<u>\$6,407,278</u>	<u>\$11,972,532</u>

\$1,357,170 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2019	\$ 185,840
2020	(257,297)
2021	(1,845,032)
2022	(1,599,302)
2023	<u>(512,118)</u>
Total	<u>\$ (4,027,910)</u>

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note VII: Public Employees Retirement System (Continued)

**Actuarial Assumptions**

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

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.00%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disability Mortality Tables (setback 3 years for males and setforward 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

BOARD OF EDUCATION  
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NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note VII: Public Employees Retirement System (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.66%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.66%) or 1-percentage point higher (6.66%) than the current rate:

	1% Decrease <u>(4.66%)</u>	Current Discount Rate <u>(5.66%)</u>	1% Increase <u>(6.66%)</u>
District's proportionate share of the net pension liability	\$33,668,202	26,776,047	20,995,099

Note VIII: Teachers Pension and Annuity Fund (TPAF)

**Summary of Significant Accounting Policies**

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

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the District	<u>238,092,210</u>
Total	<u>\$238,092,210</u>

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BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note VIII: Teachers Pension and Annuity Fund (TPAF) (Continued)

The net pension liability was measured as of June 30, 2018 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2018, the District's proportion was 0.00%, which was a decrease of 0.00% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the State (for the District) recognized pension expense of \$13,879,943 and revenue of \$13,879,943 for support provided by the State. At June 30, 2018, the State (for the District) reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$5,299,595	\$359,080
Changes of assumptions	41,246,899	59,997,557
Net difference between projected and actual earnings on pension plan investments		21,620
Changes in proportion and differences between State contributions associated with the District and proportionate share of contributions	606,847	145,546
State's contribution associated with the District subsequent to the measurement date	<u>7,636,260</u>	
<b>Total</b>	<u>\$54,789,602</u>	<u>\$60,523,802</u>

\$7,636,260 reported as deferred outflows of resources related to pensions resulting from State contributions associated with the District subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2019	\$ 1,502,907
2020	781,937
2021	(834,298)
2022	(558,480)
2023	(2,750,919)
Thereafter	<u>(12,013,892)</u>
<b>Total</b>	<u>\$ (13,872,744)</u>

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note VIII: Teachers Pension and Annuity Fund (TPAF)(Continued)

**Actuarial Assumptions**

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

Inflation rate	2.25%
Salary increases:	
2011-2026	1.55% - 4.55%
Thereafter	2.00% - 5.45%
Investment rate of return:	7.00%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note VIII: Teachers Pension and Annuity Fund (TPAF)(Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 50% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.86%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.86%) or 1-percentage point higher (5.86%) than the current rate:

	1% Decrease <u>(3.86%)</u>	Current Discount Rate <u>(4.86%)</u>	1% Increase <u>(5.86%)</u>
District's proportionate share of the net pension liability	\$281,420,230	238,092,210	202,173,619

Note IX: Health Benefit and Post-Retirement Medical Benefits

**State Health Benefit State Fund – Local Education Active** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.46a established the School Employees Health Benefits Program Fund which provides medical coverage to qualified active education participants. Also, education employees are eligible for the Prescription Drug Program coverage after 60 days of employment.

**General Information about the OPEB Plan**

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired Plan) is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees; however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note IX: Health Benefit and Post-Retirement Medical Benefits (Continued)

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retired from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from one or more of the following plans: TPAF, PERS, PFRS, or ABP. Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postemployment 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.

**Summary of Significant Accounting Policies**

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the State Health Benefits Local Education Retired Employees Plan (OPEB), information about OPEB's fiduciary net position and additions to/deductions from OPEB's fiduciary net position have been determined on the same basis as they are reported by OPEB. For this purpose, OPEB recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

At June 30, 2019, the District reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the District	<u>160,487,137</u>
Total	<u>\$160,487,137</u>

The net OPEB liability was measured as of June 30, 2018 and the total OPEB liability to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2018, the District's proportion was 0.00%, which was a decrease of 0.00% from its proportion measured as of June 30, 2017.

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NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note IX: Health Benefit and Post-Retirement Medical Benefits (Continued)

For the year ended June 30, 2018, the State (for the District) recognized OPEB expense of \$7,297,774 and revenue of \$7,297,774 for support provided by the State. At June 30, 2018, the State (for the District) reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$	\$ (15,578,861)
Changes of assumptions		(35,974,012)
Net difference between projected and actual earnings on OPEB plan investments		
Changes in proportion	608,436	
State contributions subsequent to the measurement date	<u>3,463,795</u>	
Total	<u>\$ 4,072,231</u>	<u>\$ (51,552,873)</u>

**Actuarial Assumptions**

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

Inflation rate	2.5%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.14% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age

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

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



BOARD OF EDUCATION  
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NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note IX: Health Benefit and Post-Retirement Medical Benefits (Continued)

*Discount Rate*

The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate*

The following presents the District's proportionate share of the new OPEB liability calculated using the discount rate of 3.87%, as well as what the District's proportional share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.87%) or 1-percentage point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
District's proportionate share of the net pension liability	\$189,727,893	\$160,487,137	\$137,243,303

*Health Care Trend*

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates*

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
District's proportionate share of the net OPEB liability	\$132,651,927	\$160,487,137	\$197,300,158

BOARD OF EDUCATION  
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NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note X: Deferred Compensation Plan

The Board offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency or upon death to their beneficiaries. The plan administrators are as follows:

AXA  
Equitable  
Lincoln Investment Planning  
VALIC

All amounts of compensation deferred under this plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property and rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Borough of Fair Lawn School District (without being restricted to the provisions of benefits under the Plan) subject only to the claims of the Borough of Fair lawn's general creditors. Participants' right under the Plan are equivalent to those of general creditors of the Borough of Fair lawn School District in an amount equal to the fair market value of the deferred account for each participant.

The maximum amount of deferred compensation for any participant for any taxable year shall not exceed the lesser of \$19,000.00 or 100 percent of the participant's includible compensation for the taxable year except as provided by the limited catch-up provision which may effect a participant's last three taxable years ending before a participant attains normal retirement age as defined by plan.

During the year ended June 30, 2018 and 2019, the employees' contributions to the plan were \$2,036,847.97, and \$2,183,748.63.

Note XI: Risk Management

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018-2019	\$ 0.00	\$ 151,436.89	\$ 50,846.27	\$ 705,652.32
2017-2018	0.00	147,690.52	71,153.15	661,474.95
2016-2017	0.00	151,742.01	86,169.67	646,864.46

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

Note XI: Risk Management (Continued)

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

The District is a member of the School Alliance Insurance Fund. (the "Fund"). The Fund is both an insured and self-administered group of school districts established for the purpose of providing certain low-cost Property Damage, Employer's Liability, School Board Legal Liability, Automobile and Equipment Liability, insurance coverage for member school districts in order to keep local property taxes at a minimum. The District pays an annual assessment to the Fund and should it be determined that payments received by the Fund are deficient, additional assessments may be levied. Additionally, the Fund maintains a contract of excess insurance with a commercial reinsurer to secure the payment of benefits.

The District is a member of the New Jersey School Board Association Insurance Group (the "Group").

The Group is both an insured and self-administered group of school districts established for the purpose of providing certain low-cost Workers' Compensation coverage for member school districts in order to keep local property taxes at a minimum. The District pays an annual assessment to the Group and should it be determined that payments received by the Group are deficient, additional assessments may be levied. Additionally, the Group maintains a contract of excess insurance with a commercial reinsurer to secure the payment of benefits.

The Borough of Fair Lawn School District continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note XII: Compensated Absences

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay are paid upon retirement to employees over 50 years old with 15 years of service. In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year are reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2019, no liability existed for compensated absences in the Food Service Fund.

Note XIII: Contingent Liabilities

The Borough of Fair Lawn School District is a defendant in several lawsuits, none of which is unusual for a Board of Education of its size. Additional liabilities, if not covered by insurance, should not be material in amount.

Note XIV: Subsequent Events

The Borough of Fair Lawn School District has evaluated subsequent events through September 16, 2019, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

**REQUIRED SUPPLEMENTARY INFORMATION -  
PART II**

**Section C**  
**BUDGETARY COMPARISON SCHEDULES**

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2019**

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variances Final to Actual
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 80,318,034.00	\$ -	\$ 80,318,034.00	\$ 80,318,034.00	\$ -
Tuition	209,277.00	-	209,277.00	340,933.04	131,656.04
Transportation Fees	30,700.00	-	30,700.00	50,027.50	19,327.50
Interest Earned on Investments	50,000.00	-	50,000.00	448,501.25	398,501.25
Interest Earned on Capital Reserve Funds	2,000.00	-	2,000.00	158,705.15	156,705.15
Miscellaneous	1,871,377.00	-	1,871,377.00	2,802,946.02	931,569.02
<b>Total - Local Sources</b>	<b>81,590,388.00</b>	<b>-</b>	<b>81,590,388.00</b>	<b>83,120,146.96</b>	<b>1,529,758.96</b>
<b>State Sources:</b>					
Equalization Aid	682,387.00	-	682,387.00	682,387.00	-
Categorical Transportation Aid	642,280.00	-	642,280.00	640,998.00	1,282.00
Categorical Special Education Aid	2,818,180.00	783,840.00	3,602,020.00	4,303,870.00	781,850.00
Categorical Security Aid	99,509.00	-	99,509.00	484,041.00	384,532.00
Extraordinary Aid	555,982.00	-	555,982.00	1,858,688.00	1,312,696.00
Nonpublic Transportation Aid	-	-	-	100,298.00	100,298.00
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	7,838,280.00	7,838,280.00
TPAF PRM (On-Behalf - Non-Budgeted)	-	-	-	3,483,795.00	3,483,795.00
TPAF LTDI (On-Behalf - Non-Budgeted)	-	-	-	7,936.00	7,936.00
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	3,003,177.80	3,003,177.80
<b>Total State Sources</b>	<b>4,798,348.00</b>	<b>783,840.00</b>	<b>5,582,188.00</b>	<b>22,431,318.80</b>	<b>16,849,130.80</b>
<b>Federal Sources:</b>					
Medical Assistance Program	50,549.00	-	50,549.00	57,748.71	7,197.71
<b>Total - Federal Sources</b>	<b>50,549.00</b>	<b>-</b>	<b>50,549.00</b>	<b>57,748.71</b>	<b>7,197.71</b>
<b>Total Revenues</b>	<b>86,439,285.00</b>	<b>783,840.00</b>	<b>87,223,125.00</b>	<b>115,608,212.27</b>	<b>18,386,087.27</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of Teachers	110-100-101 1,157,855.00	(24,887.88)	1,133,157.34	1,103,154.34	30,003.00
Grades 1-5 - Salaries of Teachers	120-100-101 8,309,821.00	(220,110.19)	8,089,710.81	8,874,088.57	215,614.24
Grades 6-8 - Salaries of Teachers	130-100-101 7,320,746.00	(47,174.04)	7,273,571.98	7,112,530.88	161,041.30
Grades 9-12 - Salaries of Teachers	140-100-101 8,794,587.05	(163,820.80)	8,630,776.48	8,433,063.53	197,712.95
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	150-100-101 100,566.80	(13,332.13)	87,238.67	67,558.88	19,677.79
Purchased Professional-Educational Services	150-100-320 20,000.00	(14,640.00)	5,360.00	5,360.00	-
<b>Regular Programs - Undistributed Instruction</b>					
Purchased Professional-Educational Services	190-100-320 850,000.00	3,548.20	853,548.20	852,728.61	819.59
Other Purchased Services (400-500 series)	190-100-500 11,350.00	22,885.00	34,015.00	28,563.13	4,451.87
General Supplies	190-100-610 834,888.00	82,407.46	917,086.52	875,027.92	42,058.60
Textbooks	190-100-640 245,908.30	(19,010.82)	326,897.38	284,157.58	42,739.80
Other Objects	190-100-800 515,133.30	(5,013.67)	510,119.63	414,026.95	96,092.64
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>29,060,688.80</b>	<b>(289,177.55)</b>	<b>28,861,491.05</b>	<b>27,851,388.07</b>	<b>810,222.98</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Cognitive - Moderate:</b>					
Salaries of Teachers	202-100-101 185,540.00	136,888.05	322,208.05	317,287.04	4,930.01
Other Salaries for Instruction	202-100-106 298,050.00	(74,588.00)	223,481.00	223,481.00	-
Purchased Professional-Educational Services	202-100-320 8,000.00	(3,048.75)	4,951.25	5,951.25	-
General Supplies	202-100-610 2,300.00	(389.38)	1,910.62	1,910.62	-
Other Objects	202-100-800 1,000.00	(1,000.00)	-	-	-
<b>Total Cognitive - Moderate</b>	<b>495,890.00</b>	<b>57,858.82</b>	<b>553,548.82</b>	<b>548,600.91</b>	<b>4,930.01</b>
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	204-100-101 834,826.70	113,801.35	1,048,528.05	1,004,185.45	44,342.60
Other Salaries for Instruction	204-100-106 1,117,001.00	(231,740.91)	885,280.09	885,280.09	-
Purchased Professional-Educational Services	204-100-320 25,000.00	24,444.43	49,444.43	49,444.43	-
General Supplies	204-100-610 12,200.00	(9,311.00)	2,889.00	2,842.88	46.11
Textbooks	204-100-640 7,000.00	(3,188.00)	3,811.00	3,810.42	0.58
<b>Total Learning and/or Language Disabilities</b>	<b>2,096,127.70</b>	<b>(108,105.13)</b>	<b>1,989,932.57</b>	<b>1,945,543.26</b>	<b>44,389.29</b>

**BOARD OF EDUCATION  
BOROUGH OF FORT LAYN  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Fund Balance	Actual	Variance Fund to Actual
<b>Behavioral Disabilities:</b>					
Salaries of Teachers	\$ 439,844.00	\$ 73,543.30	\$ 513,387.30	\$ 487,053.30	\$ 10,134.00
Other Salaries for Instruction	214,784.00	18,211.30	232,995.30	232,978.30	-
Purchased Professional-Educational Services	15,000.00	4,777.65	10,222.35	10,222.35	-
General Supplies	3,300.00	(1,854.51)	1,384.49	1,384.48	23.45
Textbooks	5,500.00	(5,478.50)	21.50	-	21.45
Other Objects	2,300.00	(2,101.25)	198.00	198.00	-
<b>Total Behavioral Disabilities</b>	<b>680,558.00</b>	<b>(77,485.92)</b>	<b>757,871.87</b>	<b>741,814.17</b>	<b>16,157.45</b>
<b>Resource Room/Resources Center:</b>					
Salaries of Teachers	2,740,037.00	312,397.88	3,049,234.88	2,983,303.88	65,931.00
Other Salaries for Instruction	4,000.00	14,424.00	54,424.00	51,244.66	3,179.35
Purchased Professional-Educational Services	5,500.00	1,075.43	6,575.43	6,575.43	-
General Supplies	13,000.00	(11,750.00)	3,250.00	3,243.85	6.05
Textbooks	2,797,337.00	319,147.31	3,113,664.31	3,044,397.81	69,119.40
<b>Total Resource Room/Resources Center</b>	<b>10,812.00</b>	<b>(2,825.24)</b>	<b>7,886.76</b>	<b>7,853.48</b>	<b>33.27</b>
<b>Auditors:</b>					
Salaries of Teachers	870,765.50	153,514.68	1,024,280.18	788,903.18	235,377.00
Other Salaries for Instruction	770,000.00	130,000.00	900,000.00	870,000.00	30,000.00
Purchased Professional-Educational Services	30,000.00	5,752.00	35,752.00	31,883.41	3,868.59
General Supplies	8,450.00	8,450.00	16,900.00	16,900.00	-
Textbooks	10,812.00	(2,825.24)	7,886.76	7,853.48	33.27
Other Objects	1,491,423.50	(282,871.36)	1,784,594.86	1,739,298.00	45,106.86
<b>Total Auditors</b>	<b>2,962,150.00</b>	<b>(181,384.52)</b>	<b>3,143,534.52</b>	<b>2,954,838.17</b>	<b>188,696.35</b>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	172,851.00	100,773.77	273,624.77	264,623.77	9,001.00
Other Salaries for Instruction	191,848.00	(19,107.60)	172,740.40	142,650.31	30,090.09
Purchased Professional-Educational Services	22,000.00	(6,650.00)	15,350.00	14,955.00	395.00
General Supplies	2,000.00	(243.56)	1,756.44	1,733.04	23.40
Other Objects	1,500.00	(1,500.00)	-	-	-
<b>Total Preschool Disabilities - Part-Time</b>	<b>369,199.00</b>	<b>(72,677.39)</b>	<b>296,521.61</b>	<b>284,062.12</b>	<b>11,459.49</b>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	449,748.00	(281,416.54)	168,331.46	166,371.46	1,960.00
Other Salaries for Instruction	479,200.00	(279,354.82)	200,845.18	199,845.08	1,000.10
Purchased Professional-Educational Services	12,000.00	8,343.00	20,343.00	18,074.70	2,268.30
General Supplies	2,000.00	(427.52)	1,572.48	1,572.48	-
Other Objects	1,500.00	(1,160.49)	339.51	339.52	-
<b>Total Preschool Disabilities - Full-Time</b>	<b>941,448.00</b>	<b>(523,811.47)</b>	<b>417,636.53</b>	<b>416,163.24</b>	<b>1,473.29</b>
<b>Home Instruction:</b>					
Salaries of Teachers	65,000.00	33,111.96	98,111.96	94,444.80	3,667.16
Purchased Professional-Educational Services	35,000.00	25,250.00	60,250.00	59,000.00	1,250.00
General Supplies	120,000.00	59,361.96	179,361.96	153,434.60	25,927.36
Other Objects	8,662,034.20	(217,222.16)	8,444,812.04	8,413,068.47	29,743.57
<b>Total Home Instruction</b>	<b>9,087,034.20</b>	<b>(128,859.20)</b>	<b>8,958,175.00</b>	<b>8,720,147.37</b>	<b>238,027.63</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>					
Basic Skills/Remedial - Instruction	227,008.00	(6,248.62)	210,356.08	214,812.80	4,743.48
General Supplies	18,385.00	(41,355.58)	(22,970.58)	56,743.44	8,14
<b>Total Basic Skills/Remedial - Instruction</b>	<b>245,393.00</b>	<b>(47,604.20)</b>	<b>197,788.80</b>	<b>271,556.24</b>	<b>4,743.62</b>
Bilingual Education - Instruction	834,305.00	50,087.73	884,392.73	869,183.72	19,209.01
General Supplies	843,058.00	(11,871.67)	831,186.33	831,186.33	-
<b>Total Bilingual Education - Instruction</b>	<b>1,677,363.00</b>	<b>(6,783.94)</b>	<b>1,670,606.40</b>	<b>1,670,370.05</b>	<b>236.35</b>
School-Spon. Concurrent Activs. - Inst.	438,531.00	2,110.00	440,641.00	414,090.29	26,550.71
Salaries and Materials	5,500.00	480.00	6,000.00	5,979.80	20.20
Other Objects	42,529.00	(8,342.92)	34,186.08	32,098.47	2,087.61
<b>Total School-Spon. Concurrent Activs. - Inst.</b>	<b>486,560.00</b>	<b>(6,752.92)</b>	<b>479,807.08</b>	<b>452,168.56</b>	<b>27,638.52</b>
School-Spon. Athletics - Instruction	640,262.00	30,242.50	670,504.50	624,800.04	45,704.46
Purchased Services (300-500 series)	66,500.00	5,983.00	72,483.00	84,025.64	2,867.36
Supplies and Materials	66,000.00	(4,451.82)	61,548.18	52,097.90	9,450.28
Other Objects	141,815.75	(21,254.31)	120,561.44	115,041.46	5,520.00
<b>Total School-Spon. Athletics - Instruction</b>	<b>914,577.75</b>	<b>(18,723.13)</b>	<b>895,854.62</b>	<b>876,069.04</b>	<b>19,785.58</b>
Other Supplemental/At-Risk Programs - Instruction	1,104,615.00	(12,263.30)	1,092,351.70	1,050,873.83	41,477.87
Salaries of Teachers	183,515.00	-	183,515.00	183,515.00	-
Salaries of Reading Specialists	1,000.00	-	1,000.00	1,000.00	-
General Supplies	1,286,130.00	(12,263.30)	1,273,866.70	1,234,608.83	41,147.77
Other Objects	41,843,231.47	(67,726.63)	41,775,504.84	40,992,048.85	7,510,456.01
<b>Total Other Supplemental/At-Risk Programs - Instruction</b>	<b>1,290,654.47</b>	<b>(79,989.93)</b>	<b>1,210,664.54</b>	<b>1,189,241.61</b>	<b>21,422.93</b>

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2019

	Original Budget	Revised Transfers	Final Budget	Actual	Variance Favor to Actual
000-100-502	\$ 400,456.00	\$ (167,962.00)	\$ 232,494.00	\$ 228,994.00	\$ 75,500.00
000-100-503	546,424.00	43,408.91	592,633.91	596,940.00	22,600.91
000-100-504	1,336,000.00	36,028.80	1,433,328.80	1,396,972.00	3,567.80
000-100-505	2,095,020.00	175,269.71	2,270,289.71	1,686,604.84	673,171.87
000-100-506	4,171,338.10	(35,383.11)	4,135,954.99	2,991,438.92	1,444,310.07
000-100-508	32,300.00		32,300.00		32,300.00
	7,459,854.10	60,229.31	7,460,884.41	5,315,137.76	2,153,746.65
000-211-100	75,023.00	180.51	74,103.51	73,807.56	295.95
	75,023.00	180.51	74,103.51	73,807.56	295.95
000-213-100	653,668.00	22,963.27	656,821.27	616,301.79	40,520.48
000-213-300	1,297,317.50	(104,768.51)	1,192,549.99	1,151,860.88	20,689.11
000-213-400	18,200.00	780.00	18,980.00	1,975.97	204.30
000-213-800	15,200.00	(1,071.00)	14,129.00	14,129.00	-
	2,500.00	621.25	3,121.25	1,453.17	1,668.08
	2,140,275.50	(86,422.59)	2,053,852.91	1,955,788.10	64,003.81
000-216-100	1,707,345.00	44,182.86	1,811,497.86	1,771,595.85	39,902.00
000-216-200	649,390.15	(132,004.42)	517,385.73	376,835.73	140,550.00
000-216-800	10,000.00	715.14	10,715.14	10,697.28	17.86
	2,266,735.15	(87,126.43)	2,189,608.72	2,159,128.86	40,479.86
000-217-200	45,000.00	(882.00)	44,018.00	44,018.00	-
000-217-800	7,000.00	15,595.08	22,595.08	22,035.07	560.01
	52,000.00	14,633.08	66,633.07	66,053.07	580.00
000-218-104	1,222,858.12	36,290.13	1,262,118.25	1,219,009.89	43,108.36
000-218-105	186,988.00	21,108.70	208,097.70	208,097.37	0.33
000-218-110	-	26,940.00	26,940.00	-	26,940.00
000-218-600	1,560.00	(33.78)	1,516.22	1,516.22	-
	13,900.00	3,245.01	17,145.01	14,969.46	2,175.55
	1,425,296.12	90,320.00	1,515,616.12	1,443,562.78	72,222.42
000-218-104	2,119,277.70	(120,498.27)	1,998,779.43	1,991,951.50	36,827.93
000-218-105	217,271.00	(990.70)	216,271.24	216,271.24	-
000-218-110	2,352,652.00	56,082.73	2,407,144.73	2,242,868.54	164,248.19
000-218-300	131,017.00	120,321.48	251,338.48	211,375.74	39,962.74
000-218-500	11,515.00	(6,008.89)	5,506.11	6,357.21	90.81
000-218-600	24,750.00	23,700.30	48,450.30	48,330.17	120.13
	7,228.00	(3,697.95)	3,530.05	2,801.09	628.97
	4,803,120.70	68,981.53	4,921,992.23	4,698,783.54	242,108.69
000-221-104	450,835.00	10,008.99	460,873.99	460,873.44	0.12
000-221-105	-	83,188.72	83,188.72	83,188.72	-
000-221-110	60,438.31	60,438.31	120,876.62	62,102.34	7,366.97
000-221-120	52,820.00	2,049.80	54,869.80	54,869.80	-
000-221-600	2,000.00	(142.78)	1,857.22	1,840.80	16.42
	1,000.00	70.00	1,070.00	1,070.00	-
	500,855.00	163,608.55	672,293.55	664,377.80	7,915.75
000-222-100	367,312.00	(35,155.48)	332,156.52	353,892.00	8,264.51
000-222-600	25,205.29	54,227.20	79,432.49	58,232.86	104.31
	430,444.00	(10,880.20)	429,563.80	412,124.86	8,438.94
000-223-104	32,264.00	(7,510.51)	24,753.49	24,753.32	0.17
000-223-300	82,843.99	(26,948.00)	55,895.99	22,378.70	517.23
000-223-500	19,800.00	628.53	20,428.53	20,119.78	608.75
000-223-600	1,000.00	(1,000.00)	-	-	-
	4,000.00	-	4,000.00	4,000.00	-
	119,907.99	(47,529.99)	72,378.01	71,251.85	1,126.15

Instructional Expenditures - Instructional:  
Tuition to Other LEAs Within the State - Special  
Tuition to County Voc. School Dist. - Regular  
Tuition to County Voc. School Dist. - Special  
Tuition to CSDS & Regional Day Schools  
Tuition to Private Schools for the Disabled - Within State  
Tuition - Staff Facilities  
Total Undistributed Expenditures - Instructional:  
Undistributed Expend. - Admin. & Social Work  
Salaries  
Total Undistributed Expend. - Admin. & Social Work  
Undist. Expend. - Health Services  
Salaries  
Purchased Professional and Technical Services  
Other Purchased Services (400-500 series)  
Supplies and Materials  
Other Objects  
Total Undistributed Expenditures - Health Services  
Undist. Expend. - Speech OT/PT & Related Services  
Salaries of Other Professional Staff  
Purchased Professional - Educational Services  
Supplies and Materials  
Total Undist. Expend. - Speech OT/PT & Related Services  
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.  
Purchased Professional - Educational Services  
Supplies and Materials  
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.  
Undist. Expend. - Guidance  
Salaries of Other Professional Staff  
Salaries of Secretarial and Clerical Assistants  
Other Salaries  
Supplies and Materials  
Other Objects  
Total Undist. Expend. - Guidance  
Undist. Expend. - Child Study Team  
Salaries of Other Professional Staff  
Salaries of Secretarial and Clerical Assistants  
Other Salaries  
Purchased Professional - Educational Services  
Other Purchased Services (400-500 series)  
Supplies and Materials  
Other Objects  
Total Undist. Expend. - Child Study Team  
Undist. Expend. - Improvement of Inst. Serv.  
Salaries of Other Professional Staff  
Salaries of Sec and Clerical Assist.  
Other Salaries  
Salaries of Facilitator, Mktg and Library Coaches  
Other Purch Services (400-500)  
Supplies and Materials  
Other Objects  
Total Undist. Expend. - Improvement of Inst. Serv.  
Undist. Expend. - Edu. Media Serv./Bkch. Library  
Supplies and Materials  
Total Undist. Expend. - Edu. Media Serv./Bkch. Library  
Undist. Expend. - Instructional Staff Training Serv.  
Salaries of Other Professional Staff  
Purchased Professional - Educational Services  
Other Purchased Services (400-500 series)  
Supplies and Materials  
Other Objects  
Total Undist. Expend. - Instructional Staff Training Serv.



BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2019

	Original Budget	Budgetary Adjustment	Final Budget	Actual	Variance Favorable/Unfavorable
000-206-100	\$ 366,863.45	\$(56,241.51)	\$ 314,621.94	\$ 304,416.58	\$ 10,205.36
000-206-331	214,758.00	96,317.00	311,075.00	271,200.00	39,875.00
000-206-332	37,668.00	(2,194.00)	35,474.00	35,500.00	(26.00)
000-206-334	83,506.00	63,624.01	147,130.01	137,504.01	9,626.00
000-206-338	40,650.00	128,578.82	169,228.82	164,428.82	4,800.00
000-206-400	4,000.00	4,000.00	8,000.00	8,000.00	0.00
000-206-500	112,848.08	127,848.00	240,696.08	234,548.00	6,148.08
000-206-585	5,000.00	(4,548.00)	452.00	452.00	0.00
000-206-600	77,538.00	(21,003.53)	56,534.47	56,448.33	86.14
000-206-610	2,500.00	(1,525.44)	974.56	984.56	(9.00)
000-206-620	180,000.00	(130,000.00)	50,000.00	21,834.89	28,165.11
000-206-690	40,000.00	(3,073.19)	36,926.81	37,718.22	(791.41)
	1,145,157.19	68,858.89	1,214,016.08	1,124,050.84	89,965.24
000-240-103	2,870,778.00	200,787.59	3,071,565.59	2,945,910.32	125,655.27
000-240-104	462,825.00	5,242.20	468,067.20	488,177.12	(20,109.92)
000-240-105	825,248.20	744.25	826,000.00	864,158.12	(38,158.12)
000-240-110	7,628.00	(7,628.00)	0.00	0.00	0.00
000-240-199	28,360.13	11,788.56	40,148.69	40,158.71	(9.02)
000-240-800	35,000.00	2,088.54	37,088.54	35,919.29	1,169.25
	4,263,848.33	213,881.15	4,477,729.48	4,251,318.56	226,410.92
000-251-100	1,127,702.44	101,473.87	1,229,176.31	1,212,480.19	16,696.12
000-251-330	54,762.00	2,015.56	56,777.56	42,058.12	14,719.44
000-251-340	78,400.00	28,148.46	106,548.46	22,983.00	83,565.46
000-251-400	8,350.00	(20,351.31)	(12,001.31)	58,771.86	(70,773.17)
000-251-450	1,100.00	1,100.00	2,200.00	1,298.34	911.66
000-251-800	78,100.00	(73,800.20)	4,299.80	4,158.00	141.80
	1,349,314.44	37,826.52	1,387,140.96	1,344,628.05	42,512.91
000-263-100	1,081,486.00	(103,258.20)	978,227.80	988,088.03	(9,860.23)
000-263-199	24,618.01	3,540.00	28,158.01	3,540.00	0.01
000-263-330	154,922.74	(39,252.78)	115,670.00	118,481.58	(2,811.58)
000-263-500	162,000.00	(58,048.44)	103,951.56	108,850.58	(4,899.02)
000-263-800	49,304.28	3,328.28	52,632.56	23,528.47	29,104.09
000-263-800	753,480.57	(19,458.89)	734,021.68	643,348.33	90,673.35
	2,218,784.78	(186,588.20)	2,032,196.58	1,809,078.95	223,117.63
000-281-100	694,333.51	7,470.27	701,803.78	695,520.87	6,282.91
000-281-420	360,104.00	(46,078.33)	314,025.67	310,224.87	3,800.80
000-281-421	100.00	(100.00)	0.00	0.00	0.00
000-281-810	265,629.49	(69,483.44)	196,146.05	195,557.24	588.81
	1,320,167.00	(122,789.50)	1,197,377.50	1,201,302.98	(3,925.48)
000-293-100	1,243,865.14	(103,008.93)	1,140,856.21	1,138,822.12	2,034.09
000-293-107	387,480.00	(9,188.78)	378,291.22	378,100.71	190.51
000-293-199	2,071,813.09	14,833.32	2,086,646.41	2,086,646.41	0.00
000-293-420	56,059.81	113,744.27	169,804.08	167,630.56	2,173.52
000-293-490	56,381.00	28,088.58	84,469.58	84,469.58	0.00
000-293-520	373,448.00	(8,424.90)	365,023.10	378,828.01	(3,804.91)
000-293-590	34,672.55	27,247.85	61,920.40	27,010.08	34,910.32
000-293-610	187,408.01	85,108.27	272,516.28	262,567.82	9,948.46
000-293-621	375,543.12	57,531.37	433,074.49	433,074.49	0.00
000-293-622	774,988.00	3,106.58	778,094.58	628,784.03	149,310.55
000-293-820	30,000.00	10,304.88	40,304.88	33,184.74	7,120.14
000-293-800	9,000.00	0.00	9,000.00	20,310.21	(11,310.21)
	5,065,704.72	342,150.54	5,407,855.26	5,403,829.28	4,026.00
000-293-100	289,844.72	(10,854.21)	278,990.51	284,424.11	(5,433.60)
000-293-199	542.20	542.20	1,084.40	542.20	542.20
000-293-420	82,364.80	19,321.78	101,686.58	71,888.68	29,797.90
000-293-610	5,121.90	10,338.58	15,460.48	15,307.25	153.23
	337,873.62	29,038.96	366,912.58	346,968.22	20,944.36
000-296-100	123,201.88	77,782.38	200,984.26	188,784.38	12,200.00
000-296-200	668,400.00	(70,162.88)	598,237.12	593,251.88	4,985.24
000-296-420	2,380.00	2,380.00	4,760.00	4,760.00	0.00
000-296-610	100,800.00	(42,487.88)	58,312.12	58,112.40	199.72
	830,781.88	(32,887.58)	797,894.30	786,593.64	11,300.66

BOARD OF EDUCATION  
 BOARD OF FAIR LAWN  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2018

	Original Budget	Budget Increases	Final Budget	Actual	Variance Final to Actual
000-270-107	\$ 234,250.00	\$ (8,770.81)	\$ 315,479.11	\$ 292,649.32	\$ 22,829.79
000-270-180	148,791.98	(297.70)	148,494.28	134,995.88	11,528.58
000-270-181	590,144.08	(22,510.72)	568,633.36	528,672.86	30,081.31
000-270-182	249,423.19	(13,367.88)	236,055.31	231,203.77	4,851.44
000-270-350	40,000.00	(2,392.88)	37,607.12	37,587.22	29.90
000-270-360	500.00	-	500.00	500.00	-
000-270-420	94,414.57	7,347.26	101,761.83	98,430.77	3,331.06
000-270-443	38,618.00	27,105.81	65,723.81	62,413.00	3,311.61
000-270-503	300,000.00	20,000.00	320,000.00	308,819.47	14,180.53
000-270-611	47,000.00	(40,000.00)	7,000.00	6,600.00	400.00
000-270-612	40,000.00	(36,967.99)	3,032.01	3,032.01	-
000-270-613	548,000.00	(548,000.00)	0.00	0.00	0.00
000-270-617	150,000.00	67,232.22	217,232.22	215,781.43	1,450.79
000-270-518	625,000.00	140,431.42	765,431.42	764,534.48	896.94
000-270-593	53,650.00	5,561.59	59,211.59	55,711.06	3,500.53
000-270-610	40,571.24	(1,465.94)	39,105.30	34,868.70	4,236.60
000-270-615	30,000.00	425.36	30,425.36	28,671.37	4,753.99
000-270-680	3,000.00	-	3,000.00	-	3,000.00
	<b>3,122,364.64</b>	<b>238,170.61</b>	<b>3,360,535.25</b>	<b>3,104,568.99</b>	<b>255,967.06</b>
<b>UNALLOCATED BENEFITS</b>					
000-291-220	1,254,000.00	7,696.07	1,261,696.07	1,111,654.94	145,811.13
000-291-311	1,421,955.00	11,464.08	1,433,439.08	1,396,654.08	33,555.00
000-291-349	150,000.00	7,659.20	157,659.20	145,022.04	11,777.16
000-291-360	463,654.00	17,128.45	480,782.45	489,043.31	41,717.14
000-291-370	12,997,373.00	40,156.48	13,037,529.48	11,773,380.64	1,104,148.84
000-291-380	2,000.00	-	2,000.00	2,000.00	-
000-291-390	50,000.00	12,382.08	62,382.08	48,167.00	14,215.08
000-291-399	242,867.34	-	242,867.34	18,692.50	224,174.84
	<b>18,535,873.34</b>	<b>86,515.17</b>	<b>18,622,388.51</b>	<b>15,017,212.26</b>	<b>3,605,176.25</b>
				<b>7,628,280.00</b>	<b>(7,628,280.00)</b>
				<b>3,463,795.00</b>	<b>(3,463,795.00)</b>
				<b>7,928.08</b>	<b>(7,928.08)</b>
				<b>3,063,177.80</b>	<b>(3,063,177.80)</b>
				<b>14,111,168.90</b>	<b>(14,111,168.90)</b>
				<b>29,128,361.36</b>	<b>(29,128,361.36)</b>
				<b>65,311,187.84</b>	<b>(6,294,081.03)</b>
				<b>105,873,237.72</b>	<b>(7,100,639.47)</b>
124-100-730	3,000.00	-	3,000.00	-	3,000.00
146-100-730	15,000.00	60,354.08	75,354.08	60,476.10	4,887.98
202-100-730	-	2,049.77	2,049.77	2,049.77	-
000-252-730	401,568.00	(86,750.00)	314,818.00	27,028.84	284,009.86
000-291-730	26,028.53	38,521.70	64,550.23	25,100.23	30,650.00
000-353-730	105,000.00	12,353.50	117,353.50	116,434.16	919.34
000-270-734	47,308.81	-	47,308.81	47,308.81	-
	<b>590,568.80</b>	<b>10,526.05</b>	<b>601,094.85</b>	<b>291,198.01</b>	<b>309,897.84</b>
000-400-650	526,868.00	(3,175.00)	523,693.00	312,089.50	211,593.50
000-400-400	37,259.00	3,175.00	40,434.00	37,259.00	-
000-400-680	604,124.00	-	604,124.00	299,355.50	314,768.50
				<b>243,970.00</b>	<b>(243,970.00)</b>
				<b>243,970.00</b>	<b>(243,970.00)</b>
				<b>814,523.51</b>	<b>(869,781.14)</b>
				<b>1,234,720.00</b>	<b>(1,234,720.00)</b>
				<b>16,329.05</b>	<b>(16,329.05)</b>
				<b>1,218,390.95</b>	<b>(1,218,390.95)</b>
				<b>1,218,390.95</b>	<b>(1,218,390.95)</b>

SPECIAL SCHOOLS



**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2019**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
State Sources	\$ 186,448.00	\$ 17,570.00	\$ 204,018.00	\$ 184,464.34	\$ 19,551.66
Federal Sources	1,278,785.00	360,574.00	1,639,359.00	1,613,626.81	25,732.19
Local Sources	<u>-</u>	<u>110,434.75</u>	<u>110,434.75</u>	<u>108,576.18</u>	<u>3,858.57</u>
<b>Total Revenues</b>	<b>\$ 1,465,231.00</b>	<b>\$ 488,578.75</b>	<b>\$ 1,953,809.75</b>	<b>\$ 1,904,667.33</b>	<b>\$ 49,142.42</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Personal Services - Salaries	\$ 360,471.00	\$ (177,175.00)	\$ 183,296.00	\$ 182,604.00	\$ 692.00
Other Purchased Services (400-500 series)	910,314.00	208,880.00	1,118,994.00	1,118,994.00	-
General Supplies		78,495.19	78,495.19	76,132.37	2,362.82
Textbooks	8,010.00	-	8,010.00	7,999.95	10.05
<b>Total Instruction</b>	<b>1,278,795.00</b>	<b>110,000.19</b>	<b>1,388,795.19</b>	<b>1,365,730.32</b>	<b>3,064.87</b>
<b>Support Services</b>					
Personal Services - Salaries		12,413.00	12,413.00	12,090.62	322.38
Personal Services - Employee Benefits		41,186.00	41,186.00	41,152.96	33.04
Purchased Professional and Technical Services	22,550.00	89,054.07	111,604.07	86,222.63	25,381.44
Purchased Professional - Educational Services	163,886.00	115,270.00	279,156.00	259,215.33	19,940.67
Travel		38,233.00	38,233.00	37,832.98	400.02
Supplies and Materials		61,004.49	61,004.49	61,004.49	-
Other Objects	<u>-</u>	<u>21,418.00</u>	<u>21,418.00</u>	<u>21,418.00</u>	<u>-</u>
<b>Total Support Services</b>	<b>186,436.00</b>	<b>378,578.56</b>	<b>565,014.56</b>	<b>518,937.01</b>	<b>46,077.55</b>
<b>Total Expenditures</b>	<b>1,465,231.00</b>	<b>488,578.75</b>	<b>1,953,809.75</b>	<b>1,904,667.33</b>	<b>49,142.42</b>
<b>Total Outflows</b>	<b>\$ 1,465,231.00</b>	<b>\$ 488,578.75</b>	<b>\$ 1,953,809.75</b>	<b>\$ 1,904,667.33</b>	<b>\$ 49,142.42</b>

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

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to RSI  
For the Fiscal Year Ended June 30, 2019**

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

	<u>Exhibit</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1&C-2]	\$ 115,609,212.27	\$ 1,904,667.33
Difference - budget to GAAP:			
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense in accordance with GASB 33.		(285,708.00)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 115,323,504.27</u>	<u>\$ 1,904,667.33</u>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1&C-2]	\$ 108,404,315.53	\$ 1,904,667.33
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund		-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 108,404,315.53</u>	<u>\$ 1,904,667.33</u>

**REQUIRED SUPPLEMENTARY INFORMATION -  
PART III**

**Section L**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS  
(GASB 68)**



**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Schedule of the District's Proportionate Share of the Net Pension Liability- PERS**

	Fiscal Year Ending June 30,				
	2023	2022	2021	2020	2019
District's proportion of the net pension liability					0.1359814937%
District's proportionate share of the net pension liability					\$ 26,778,047.00
District's covered employee payroll					\$ 9,160,723.00
District's proportionate share of the net pension liability as a percentage of its covered employee payroll					292.28%
Plan fiduciary net position as a percentage of the total pension liability					53.60%

	Fiscal Year Ending June 30,				
	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.1469985029%	0.1520384380%	0.1522285199%	0.1551818755%	0.1522045239%
District's proportionate share of the net pension liability	\$ 34,884,470.00	\$ 45,028,832.00	\$ 34,172,252.00	\$ 29,054,291.00	\$ 29,089,309.00
District's covered employee payroll	\$ 9,326,718.00	\$ 9,412,139.00	\$ 9,838,977.00	\$ 9,719,098.00	\$ 9,754,894.00
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	371.88%	478.41%	347.39%	298.94%	298.20%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	47.92%	52.08%	48.72%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during fiscal year ended June 30, 2015.

BOARD OF EDUCATION  
 BOROUGH OF FAIR LAWN  
 Schedule of District Contributions- PERS

	Fiscal Year Ending June 30,				
	2023	2022	2021	2020	2019
Contractually required contribution					\$ 1,357,170.00
Contributions in relation to the contractually required contribution					<u>(1,357,170.00)</u>
Contribution deficiency/(excess)					<u>\$ -</u>
District's covered employee payroll					\$ 9,160,723.00
Contributions as a percentage of covered employee payroll					14.82%

	Fiscal Year Ending June 30,				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,394,926.44	\$ 1,354,684.00	\$ 1,308,757.00	\$ 1,279,297.00	\$ 1,167,786.02
Contributions in relation to the contractually required contribution	<u>(1,394,926.44)</u>	<u>(1,354,684.00)</u>	<u>(1,308,757.00)</u>	<u>(1,279,297.00)</u>	<u>(1,167,786.02)</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 9,326,718.00	\$ 9,412,139.00	\$ 9,838,977.00	\$ 9,719,098.00	\$ 9,754,894.00
Contributions as a percentage of covered employee payroll	14.86%	14.39%	13.30%	13.16%	11.97%

Note: This schedule does not contain ten years of information as GASB No. 88 was implemented during fiscal year ended June 30, 2015.

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Schedule of the District's Proportionate Share of the Net Pension Liability- TPAF**

	Fiscal Year Ending June 30,				
	2023	2022	2021	2020	2019
District's proportion of the State's net pension liability					0.3742537707%
District's proportionate share of the State's net pension liability					\$ 238,092,210.00
District's covered employee payroll					\$ 42,459,901.00
District's proportionate share of the net pension liability as a percentage of its covered employee payroll					560.75%
Plan fiduciary net position as a percentage of the total pension liability					28.48%

	Fiscal Year Ending June 30,				
	2018	2017	2016	2015	2014
District's proportion of the State's net pension liability	0.3800082017%	0.3788263543%	0.3735564698%	0.3689274843%	0.3533917251%
District's proportionate share of the State's net pension liability	\$ 256,215,232.00	\$ 266,435,603.00	\$ 236,103,641.00	\$ 197,714,200.58	\$ 178,601,388.38
District's covered employee payroll	\$ 40,629,471.00	\$ 39,973,439.00	\$ 38,830,986.00	\$ 39,887,483.00	\$ 37,910,489.00
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	630.81%	741.58%	608.03%	508.43%	471.11%
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.64%	33.78%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during fiscal year ended June 30, 2015.

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2019

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

**A. Benefit Changes**

There were none.

**B. Changes of Assumptions**

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018 in accordance with Paragraph 44 of GASB Statement No. 67.

**TEACHERS' PENSION AND ANNUITY FUND**

**A. Benefit Changes**

There were none.

**B. Changes of Assumptions**

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018 in accordance with Paragraph 44 of GASB Statement No. 67.

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
Schedule of Changes in the Total OPEB Liability and Related Ratios

	Fiscal Year Ending June 30,				
	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ -	\$ -	\$ 6,718,004.00	\$ 8,088,181.00	\$ -
Interest			6,837,176.00	5,887,159.00	
Changes of benefit terms				-	
Differences between expected and actual experience			(18,826,160.00)	-	
Changes of assumptions or other inputs			(18,416,702.00)	(24,043,354.00)	
Member contributions			148,317.00	158,908.00	
Gross benefit payments	<u>-</u>	<u>-</u>	<u>(4,291,369.00)</u>	<u>(4,315,517.00)</u>	<u>-</u>
Net change in total OPEB liability	-	-	(25,830,734.00)	(14,224,623.00)	-
Total OPEB liability - beginning	<u>-</u>	<u>-</u>	<u>186,317,871.00</u>	<u>200,542,494.00</u>	<u>-</u>
Total OPEB liability - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,487,137.00</u>	<u>\$ 186,317,871.00</u>	<u>\$ 200,542,494.00</u>
Covered - employee payroll	\$ -	\$ -	\$ 51,620,624.00	\$ 49,956,189.00	\$ 49,385,578.00
Total OPEB liability as a percentage of covered - employee payroll			310.90%	372.96%	406.08%

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during fiscal year ended June 30, 2018.

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2019

**LOCAL EDUCATION**

**A. Benefit Changes**

There were none.

**B. Changes of Assumptions**

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018 in accordance with Paragraph 44 of GASB Statement No. 67.

**OTHER SUPPLEMENTARY INFORMATION**

**Section D**  
**SCHOOL LEVEL SCHEDULES**



**Section E**  
**SPECIAL REVENUE FUND**

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2019**

		<u>Total</u>	<u>State Aid</u>	<u>Federal Aid</u>	<u>Local Aid</u>
<b>REVENUES</b>					
State Sources		\$ 184,464.34	\$ 184,464.34	\$ -	\$ -
Federal Sources		1,613,626.81	-	1,613,626.81	-
Local Sources		<u>106,576.18</u>	<u>-</u>	<u>-</u>	<u>106,576.18</u>
<b>Total Revenues</b>		<u>\$ 1,904,667.33</u>	<u>\$ 184,464.34</u>	<u>\$ 1,613,626.81</u>	<u>\$ 106,576.18</u>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Personal Services - Salaries	100-100	\$ 182,604.00	\$ -	\$ 182,604.00	\$ -
Other Purchased Services (400-500 series)	100-500	1,118,994.00	-	1,118,994.00	-
General Supplies	100-610	76,132.37	-	30,560.68	45,571.69
Textbooks	100-640	<u>7,999.95</u>	<u>7,999.95</u>	<u>-</u>	<u>-</u>
<b>Total Instruction</b>		<u>1,385,730.32</u>	<u>7,999.95</u>	<u>1,332,158.68</u>	<u>45,571.69</u>
<b>Support Services:</b>					
Personal Services - Salaries	200-100	12,090.62	-	12,090.62	-
Personal Services - Employee Benefits	200-200	41,152.96	-	41,152.96	-
Purchased Professional and Technical Services	200-300	86,222.63	14,444.43	71,778.20	-
Purchased Professional - Educational Services	200-320	259,215.33	162,019.98	97,195.37	-
Travel	200-580	37,832.98	-	37,832.98	-
Supplies and Materials	200-600	61,004.49	-	-	61,004.49
Other Objects	200-800	<u>21,418.00</u>	<u>-</u>	<u>21,418.00</u>	<u>-</u>
<b>Total Support Services</b>		<u>518,937.01</u>	<u>176,464.39</u>	<u>281,468.13</u>	<u>61,004.49</u>
<b>Total Expenditures</b>		<u>\$ 1,904,667.33</u>	<u>\$ 184,464.34</u>	<u>\$ 1,613,626.81</u>	<u>\$ 106,576.18</u>

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Special Revenue Fund  
Combining Schedule of State Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2019**

		<u>Total</u>	<u>N.J. Nonpublic Textbook Aid</u>	<u>N.J. Nonpublic Auxillary Services</u>	<u>N.J. Nonpublic Handicapped Services</u>	<u>N.J. Nonpublic Nursing Services</u>	<u>N.J. Nonpublic Technology Initiative</u>	<u>N.J. Nonpublic Security Aid</u>
<b>REVENUES</b>								
State Sources		<u>\$ 184,464.34</u>	<u>\$ 7,999.95</u>	<u>\$ 84,392.65</u>	<u>\$ 49,728.32</u>	<u>\$ 14,444.43</u>	<u>\$ 5,400.00</u>	<u>\$ 22,498.99</u>
<b>Total State Revenues</b>		<u>\$ 184,464.34</u>	<u>\$ 7,999.95</u>	<u>\$ 84,392.65</u>	<u>\$ 49,728.32</u>	<u>\$ 14,444.43</u>	<u>\$ 5,400.00</u>	<u>\$ 22,498.99</u>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Textbooks	100-640	<u>\$ 7,999.95</u>	<u>\$ 7,999.95</u>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Instruction</b>		<u>7,999.95</u>	<u>7,999.95</u>					
<b>Support Services:</b>								
Purchased Professional and Technical Services	200-300	14,444.43				14,444.43		
Purchased Professional - Educational Services	200-320	<u>162,019.96</u>		<u>84,392.65</u>	<u>49,728.32</u>	<u>-</u>	<u>5,400.00</u>	<u>22,498.99</u>
<b>Total Support Services</b>		<u>176,464.39</u>	<u>-</u>	<u>84,392.65</u>	<u>49,728.32</u>	<u>14,444.43</u>	<u>5,400.00</u>	<u>22,498.99</u>
<b>Total Expenditures</b>		<u>\$ 184,464.34</u>	<u>\$ 7,999.95</u>	<u>\$ 84,392.65</u>	<u>\$ 49,728.32</u>	<u>\$ 14,444.43</u>	<u>\$ 5,400.00</u>	<u>\$ 22,498.99</u>

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Special Revenue Fund  
Combining Schedule of Federal Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2019**

		<u>Total</u>	<u>E.S.E.A.</u>				<u>I.D.E.A. Part B</u>	
			<u>Title I</u>	<u>Title II</u>	<u>Title III</u>	<u>Title IV</u>	<u>Basic</u>	<u>Preschool</u>
<b>REVENUES</b>								
Federal Sources		\$ 1,613,626.81	\$ 318,963.70	\$ 78,944.70	\$ 59,541.91	\$ 19,070.00	\$ 1,100,151.50	\$ 36,955.00
<b>Total Federal Revenues</b>		<u>\$ 1,613,626.81</u>	<u>\$ 318,963.70</u>	<u>\$ 78,944.70</u>	<u>\$ 59,541.91</u>	<u>\$ 19,070.00</u>	<u>\$ 1,100,151.50</u>	<u>\$ 36,955.00</u>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Personal Services - Salaries	100-100	\$ 182,604.00	\$ 138,198.00	\$ 44,406.00	\$ -	\$ -	\$ -	\$ -
Other Purchased Services (400-500 series)	100-500	1,118,994.00					1,082,039.00	36,955.00
General Supplies	100-610	30,560.68	29,882.68	-	678.00		-	-
<b>Total Instruction</b>		<u>1,332,158.68</u>	<u>168,080.68</u>	<u>44,406.00</u>	<u>678.00</u>		<u>1,082,039.00</u>	<u>36,955.00</u>
<b>Support Services:</b>								
Personal Services - Salaries	200-100	12,090.62			12,090.62			
Personal Services - Employee Benefits	200-200	41,152.96	16,121.02	24,107.00	924.94			
Purchased Professional and Technical Services	200-300	71,778.20		2,476.70	32,500.00	18,689.00	18,112.50	
Purchased Professional - Educational Services	200-320	97,195.37	90,700.00		6,495.37			
Travel	200-580	37,832.98	28,182.00	4,008.00	5,642.98			
Other Objects	200-800	21,418.00	15,880.00	3,947.00	1,210.00	381.00	-	
<b>Total Support Services</b>		<u>281,468.13</u>	<u>150,883.02</u>	<u>34,538.70</u>	<u>58,863.91</u>	<u>19,070.00</u>	<u>18,112.50</u>	<u>-</u>
<b>Total Expenditures</b>		<u>\$ 1,613,626.81</u>	<u>\$ 318,963.70</u>	<u>\$ 78,944.70</u>	<u>\$ 59,541.91</u>	<u>\$ 19,070.00</u>	<u>\$ 1,100,151.50</u>	<u>\$ 36,955.00</u>

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Special Revenue Fund  
Combining Schedule of Local Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2019**

	<u>Total</u>	<u>PTO/PTA Donations</u>	<u>NJSBAIG Safety Grant</u>	<u>Miscellaneous</u>
<b>REVENUES</b>				
Local Sources	\$ 106,576.18	\$ 39,731.39	\$ 61,004.49	\$ 5,840.30
<b>Total Local Revenues</b>	<u>\$ 106,576.18</u>	<u>\$ 39,731.39</u>	<u>\$ 61,004.49</u>	<u>\$ 5,840.30</u>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
General Supplies	100-610 \$ 45,571.69	\$ 39,731.39	\$ -	\$ 5,840.30
<b>Total Instruction</b>	<u>45,571.69</u>	<u>39,731.39</u>		<u>5,840.30</u>
<b>Support Services:</b>				
Supplies & Materials	200-600 61,004.49		61,004.49	
<b>Total Support Services</b>	<u>61,004.49</u>	<u>-</u>	<u>61,004.49</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 106,576.18</u>	<u>\$ 39,731.39</u>	<u>\$ 61,004.49</u>	<u>\$ 5,840.30</u>

**Section F**  
**CAPITAL PROJECTS FUND**

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Capital Projects Fund  
Summary Schedule of Project Expenditures  
For the Year Ended June 30, 2019**

Project Title/Issue	Approval Date	Revised GAAP Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/19
			Prior Years	Current Year	
Additions/Renovations - Westmoreland Elementary School	12/9/14	7,387,480.00	7,208,183.58	177,811.84	1,684.58
Roof Replacement - High School	12/9/14	1,746,018.19	1,362,362.35	-	383,655.84
Roof Replacement - Thomas Jefferson Middle School	12/9/14	857,375.47	734,055.24	-	123,320.23
Roof Replacement - John A. Forrest Elementary School	12/9/14	485,233.28	466,330.21	8,875.00	20,228.07
Roof Replacement - Lyncrest Elementary School	12/9/14	634,786.55	588,928.11	-	65,858.44
Roof Replacement - Warren Point Elementary School	12/9/14	566,800.18	491,450.33	267.00	74,882.83
Roof Replacement - Westmoreland Elementary School	12/9/14	713,162.52	665,973.75	-	47,188.77
Window Replacement - High School	9/3/14	581,000.00	629,066.34	-	(48,066.34)
Window Replacement - Memorial Middle School	9/3/14	874,150.00	452,052.21	-	422,097.79
Window Replacement - Radburn Elementary School	2/5/15	50,200.00	60,791.01	-	(10,591.01)
Window Replacement - Edison School	2/5/15	812,650.00	718,220.87	-	94,429.13
Window Replacement - Warren Point Elementary School	9/3/14	350,450.00	244,193.89	96,750.00	9,506.11
High School Auditorium HVAC System	3/13/18	600,000.00	-	519,722.88	80,277.12
Renovations and Additions to Thomas Jefferson Middle School	3/13/18	12,424,291.00	-	882,415.39	11,541,875.61
Renovations and Additions to Memorial Middle School	3/13/18	11,975,709.00	-	1,141,364.37	10,834,344.63
<b>Totals</b>		<b>\$ 40,069,106.17</b>	<b>\$ 13,801,837.89</b>	<b>\$ 2,826,806.46</b>	<b>\$ 23,640,661.80</b>

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis  
For the Year Ended June 30, 2019

<b>REVENUES AND OTHER FINANCING SOURCES</b>	
State Sources - SDA Grant	\$ (469,357.83)
Bond Proceeds	25,000,000.00
Capital Leases	-
Transfer from capital reserve	-
Transfer from capital outlay	-
Total Revenues	<u>24,530,642.17</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>	
Equipment (73X)	-
Salaries (100)	-
Legal Services (331)	-
Other Purchased Professional and Technical Services (390)	1,496,186.83
Construction Services (450)	1,265,070.25
General Supplies (610)	-
Land and Improvements (710)	-
Lease Purchase Agreements - Principal (721)	-
Buildings other than Lease Purchase Agreements - Principal (722)	-
Other Objects (800)	65,549.40
Total Expenditures	<u>2,826,806.48</u>
Excess (deficiency) of revenues over (under) expenditures	21,703,835.69
Fund Balance - July 1	<u>1,936,826.11</u>
Fund Balance - June 30	<u>\$23,640,661.80</u>



**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Additions/Renovations - Westmoreland Elementary School**  
**From Inception and for the Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ -	\$ -	\$ -	\$ -
Bond Proceeds	7,387,480.00		7,387,480.00	7,388,466.00
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
<b>Total Revenues</b>	<u>7,387,480.00</u>	<u>-</u>	<u>7,387,480.00</u>	<u>7,388,466.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)	77,174.09		77,174.09	125,000.00
Other Purchased Professional and Technical Services (390)	761,446.48		761,446.48	888,772.00
Construction Services (450)	5,828,647.47	177,611.84	6,006,259.31	5,796,994.00
General Supplies (610)	-		-	
Land and Improvements (710)	-		-	
Lease Purchase Agreements - Principal (721)	-		-	
Buildings other than Lease Purchase Agreements - Principal (722)	-		-	
Other Objects (800)	540,915.54	-	540,915.54	579,700.00
<b>Total Expenditures</b>	<u>7,208,183.58</u>	<u>177,611.84</u>	<u>7,385,795.42</u>	<u>7,388,466.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>179,296.42</u>	<u>(177,611.84)</u>	<u>1,684.58</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	12/9/14			
Bonds Authorized	\$ 7,388,466.00			
Bonds Issued	\$ 7,387,480.00			
Original Authorized Cost	\$ 7,388,466.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 7,388,466.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	99.98%			
Original Target Completion Date	11/16/18			
Revised Target Completion Date	11/16/16			

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Roof Replacement - Thomas Jefferson Middle School**  
**From Inception and for the Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ 370,080.00	\$ (67,824.53)	\$ 302,255.47	\$ 370,080.00
Bond Proceeds	555,120.00		555,120.00	555,120.00
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
<b>Total Revenues</b>	<u>925,200.00</u>	<u>(67,824.53)</u>	<u>857,375.47</u>	<u>925,200.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)	1,570.76		1,570.76	
Other Purchased Professional and Technical Services (390)	54,800.00		54,800.00	54,000.00
Construction Services (450)	660,341.50		660,341.50	792,000.00
General Supplies (610)	-		-	
Land and Improvements (710)	-		-	
Lease Purchase Agreements - Principal (721)	-		-	
Buildings other than Lease Purchase Agreements - Principal (722)	-		-	
Other Objects (800)	17,342.98	-	17,342.98	79,200.00
<b>Total Expenditures</b>	<u>734,055.24</u>	<u>-</u>	<u>734,055.24</u>	<u>925,200.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>191,144.76</u>	<u>(67,824.53)</u>	<u>123,320.23</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	SP1450-060-14-G1DS			
Grant Date	4/14/15			
Bond Authorization Date	12/9/14			
Bonds Authorized	\$ 555,120.00			
Bonds Issued	\$ 555,120.00			
Original Authorized Cost	\$ 925,200.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 925,200.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	79.34%			
Original Target Completion Date	9/16/15			
Revised Target Completion Date	9/16/15			

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
Roof Replacement - John A. Forrest Elementary School  
From Inception and for the Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ 205,640.00	\$ (18,866.72)	\$ 186,773.28	\$ 205,640.00
Bond Proceeds	308,460.00		308,460.00	308,460.00
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
<b>Total Revenues</b>	<u>514,100.00</u>	<u>(18,866.72)</u>	<u>495,233.28</u>	<u>514,100.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)	942.45		942.45	
Other Purchased Professional and Technical Services (390)	30,100.00		30,100.00	30,100.00
Construction Services (450)	429,000.00		429,000.00	440,000.00
General Supplies (610)	-		-	
Land and Improvements (710)	-		-	
Lease Purchase Agreements - Principal (721)	-		-	
Buildings other than Lease Purchase Agreements - Principal (722)	-		-	
Other Objects (800)	6,287.76	8,675.00	14,962.76	44,000.00
<b>Total Expenditures</b>	<u>466,330.21</u>	<u>8,675.00</u>	<u>475,005.21</u>	<u>514,100.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>47,769.79</u>	<u>(27,541.72)</u>	<u>20,228.07</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	SP1450-085-14-G1DU			
Grant Date	4/14/15			
Bond Authorization Date	12/9/14			
Bonds Authorized	\$ 308,460.00			
Bonds Issued	\$ 308,460.00			
Original Authorized Cost	\$ 514,100.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 514,100.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	92.40%			
Original Target Completion Date	9/9/16			
Revised Target Completion Date	9/9/16			

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Roof Replacement - Warren Point Elementary School**  
**From Inception and for the Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ 246,720.00	\$ (50,199.84)	\$ 196,520.16	\$ 246,720.00
Bond Proceeds	370,080.00		370,080.00	370,080.00
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
<b>Total Revenues</b>	<u>616,800.00</u>	<u>(50,199.84)</u>	<u>566,600.16</u>	<u>616,800.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)	1,256.61		1,256.61	
Other Purchased Professional and Technical Services (390)	38,000.00		38,000.00	38,000.00
Construction Services (450)	446,800.00	287.00	447,087.00	528,000.00
General Supplies (610)	-		-	
Land and Improvements (710)	-		-	
Lease Purchase Agreements - Principal (721)	-		-	
Buildings other than Lease Purchase Agreements - Principal (722)	-		-	
Other Objects (800)	7,393.72	-	7,393.72	52,800.00
<b>Total Expenditures</b>	<u>491,450.33</u>	<u>287.00</u>	<u>491,717.33</u>	<u>616,800.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>125,349.67</u>	<u>(50,486.84)</u>	<u>74,862.83</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	SP1450-140-14-G1DY			
Grant Date	4/14/15			
Bond Authorization Date	12/9/14			
Bonds Authorized	\$ 370,080.00			
Bonds Issued	\$ 370,080.00			
Original Authorized Cost	\$ 616,800.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 616,800.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	79.72%			
Original Target Completion Date	9/16/15			
Revised Target Completion Date	9/18/15			

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
Roof Replacement - Westmoreland Elementary School  
From Inception and for the Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ 297,855.00	\$ (31,474.48)	\$ 266,380.52	\$ 297,855.00
Bond Proceeds	446,782.00		446,782.00	446,782.00
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
<b>Total Revenues</b>	<u>744,637.00</u>	<u>(31,474.48)</u>	<u>713,162.52</u>	<u>744,637.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)	1,256.61		1,256.61	
Other Purchased Professional and Technical Services (390)	43,200.00		43,200.00	43,200.00
Construction Services (450)	614,340.00		614,340.00	637,670.00
General Supplies (610)	-		-	
Land and Improvements (710)	-		-	
Lease Purchase Agreements - Principal (721)	-		-	
Buildings other than Lease Purchase Agreements - Principal (722)	-		-	
Other Objects (800)	7,177.14	-	7,177.14	63,767.00
<b>Total Expenditures</b>	<u>665,973.75</u>	<u>-</u>	<u>665,973.75</u>	<u>744,637.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>78,663.25</u>	<u>(31,474.48)</u>	<u>47,188.77</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	SP1450-160-14-G1EA			
Grant Date	4/14/15			
Bond Authorization Date	12/9/14			
Bonds Authorized	\$ 446,782.00			
Bonds Issued	\$ 446,782.00			
Original Authorized Cost	\$ 744,637.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 744,637.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	89.44%			
Original Target Completion Date	9/16/15			
Revised Target Completion Date	9/16/15			

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Window Replacement - High School**  
**From Inception and for the Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ 232,400.00	\$ -	\$ 232,400.00	\$ 232,400.00
Bond Proceeds			-	
Capital Leases			-	
Transfer from capital reserve	348,600.00		348,600.00	348,600.00
Transfer from capital outlay	-	-	-	-
<b>Total Revenues</b>	<u>581,000.00</u>	<u>-</u>	<u>581,000.00</u>	<u>581,000.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	47,814.06		47,814.06	49,700.00
Construction Services (450)	581,201.50		581,201.50	483,000.00
General Supplies (610)	-		-	-
Land and Improvements (710)	-		-	-
Lease Purchase Agreements - Principal (721)	-		-	-
Buildings other than Lease Purchase Agreements - Principal (722)	-		-	-
Other Objects (800)	80.78	-	80.78	48,300.00
<b>Total Expenditures</b>	<u>629,096.34</u>	<u>-</u>	<u>629,096.34</u>	<u>581,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(48,096.34)</u>	<u>-</u>	<u>(48,096.34)</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	SP1450-050-14-G1DR			
Grant Date	9/3/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 581,000.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 581,000.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	108.28%			
Original Target Completion Date	9/16/15			
Revised Target Completion Date	9/16/15			

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Window Replacement - Memorial Middle School**  
**From Inception and for the Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ 349,660.00	\$ -	\$ 349,660.00	\$ 349,660.00
Bond Proceeds			-	
Capital Leases			-	
Transfer from capital reserve	524,490.00		524,490.00	524,490.00
Transfer from capital outlay	-	-	-	-
<b>Total Revenues</b>	<u>874,150.00</u>	<u>-</u>	<u>874,150.00</u>	<u>874,150.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	65,513.20		65,513.20	77,200.00
Construction Services (450)	382,010.00		382,010.00	724,500.00
General Supplies (810)	-		-	-
Land and Improvements (710)	-		-	
Lease Purchase Agreements - Principal (721)	-		-	
Buildings other than Lease Purchase Agreements - Principal (722)	-		-	
Other Objects (800)	4,529.01	-	4,529.01	72,450.00
<b>Total Expenditures</b>	<u>452,052.21</u>	<u>-</u>	<u>452,052.21</u>	<u>874,150.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>422,097.79</u>	<u>-</u>	<u>422,097.79</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	SP1450-070-14-G1DT			
Grant Date	9/3/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 874,150.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 874,150.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	51.71%			
Original Target Completion Date	9/16/15			
Revised Target Completion Date	9/16/15			

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Window Replacement - Radburn Elementary School**  
**From Inception and for the Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ 20,080.00	\$ -	\$ 20,080.00	\$ 20,080.00
Bond Proceeds			-	
Capital Leases			-	
Transfer from capital reserve	30,120.00		30,120.00	30,120.00
Transfer from capital outlay	-	-	-	-
<b>Total Revenues</b>	<u>50,200.00</u>	<u>-</u>	<u>50,200.00</u>	<u>50,200.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)	376.50		376.50	
Other Purchased Professional and Technical Services (390)	9,895.31		9,895.31	7,300.00
Construction Services (450)	50,150.00		50,150.00	42,900.00
General Supplies (810)	-		-	
Land and Improvements (710)	-		-	
Lease Purchase Agreements - Principal (721)	-		-	
Buildings other than Lease Purchase Agreements - Principal (722)	-		-	
Other Objects (800)	369.20	-	369.20	-
<b>Total Expenditures</b>	<u>60,791.01</u>	<u>-</u>	<u>60,791.01</u>	<u>50,200.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(10,591.01)</u>	<u>-</u>	<u>(10,591.01)</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	SP1450-110-14-G1DW			
Grant Date	2/5/15			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 50,200.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 50,200.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	121.10%			
Original Target Completion Date	1/8/16			
Revised Target Completion Date	1/8/16			



**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Window Replacement - Edison School**  
**From Inception and for the Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ 325,060.00	\$ -	\$ 325,060.00	\$ 325,060.00
Bond Proceeds			-	
Capital Leases			-	
Transfer from capital reserve	487,590.00		487,590.00	487,590.00
Transfer from capital outlay	-	-	-	-
<b>Total Revenues</b>	<u>812,650.00</u>	<u>-</u>	<u>812,650.00</u>	<u>812,650.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	56,446.00		56,446.00	66,300.00
Construction Services (450)	643,960.00		643,960.00	678,500.00
General Supplies (610)	-		-	-
Land and Improvements (710)	-		-	
Lease Purchase Agreements - Principal (721)	-		-	
Buildings other than Lease Purchase Agreements - Principal (722)	-		-	
Other Objects (800)	17,814.87	-	17,814.87	87,850.00
<b>Total Expenditures</b>	<u>718,220.87</u>	<u>-</u>	<u>718,220.87</u>	<u>812,650.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>94,429.13</u>	<u>-</u>	<u>94,429.13</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	SP1450-130-14-G1DX			
Grant Date	2/5/15			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 812,650.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 812,650.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	88.38%			
Original Target Completion Date	1/6/16			
Revised Target Completion Date	1/6/16			

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Window Replacement - Warren Point Elementary School**  
**From Inception and for the Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ 140,180.00	\$ -	\$ 140,180.00	\$ 140,180.00
Bond Proceeds			-	
Capital Leases			-	
Transfer from capital reserve	210,270.00		210,270.00	210,270.00
Transfer from capital outlay	-	-	-	-
<b>Total Revenues</b>	<u>350,450.00</u>	<u>-</u>	<u>350,450.00</u>	<u>350,450.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	34,513.11		34,513.11	34,200.00
Construction Services (450)	209,600.00	96,750.00	306,350.00	283,600.00
General Supplies (810)	-		-	
Land and Improvements (710)	-		-	
Lease Purchase Agreements - Principal (721)	-		-	
Buildings other than Lease Purchase Agreements - Principal (722)	-		-	
Other Objects (800)	80.78	-	80.78	32,650.00
<b>Total Expenditures</b>	<u>244,193.89</u>	<u>96,750.00</u>	<u>340,943.89</u>	<u>350,450.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>106,256.11</u>	<u>(96,750.00)</u>	<u>9,506.11</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	SP1450-140-14-G1DZ			
Grant Date	9/3/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 350,450.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 350,450.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	97.29%			
Original Target Completion Date	9/16/15			
Revised Target Completion Date	9/16/15			

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
High School Auditorium HVAC System  
From Inception and for the Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ -	\$ -	\$ -	\$ -
Bond Proceeds		600,000.00	600,000.00	600,000.00
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay			-	
<b>Total Revenues</b>	<u>-</u>	<u>600,000.00</u>	<u>600,000.00</u>	<u>600,000.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	4,000.00
Other Purchased Professional and Technical Services (390)		39,189.88	39,189.88	74,600.00
Construction Services (450)		480,533.20	480,533.20	497,700.00
General Supplies (810)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	23,700.00
<b>Total Expenditures</b>	<u>-</u>	<u>519,722.88</u>	<u>519,722.88</u>	<u>600,000.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>80,277.12</u>	<u>80,277.12</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number			N/A	
Grant Date			N/A	
Bond Authorization Date			3/13/18	
Bonds Authorized	\$		600,000.00	
Bonds Issued	\$		600,000.00	
Original Authorized Cost	\$		600,000.00	
Additional Authorized Cost	\$		-	
Revised Authorized Cost	\$		600,000.00	
Percentage Increase over Original Authorized Cost			0.00%	
Percentage Completed			88.62%	
Original Target Completion Date			10/1/19	
Revised Target Completion Date			10/1/19	

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Renovations and Additions to Thomas Jefferson Middle School**  
**From Inception and for the Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ -	\$ -	\$ -	\$ -
Bond Proceeds		12,424,291.00	12,424,291.00	12,424,291.00
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>12,424,291.00</u>	<u>12,424,291.00</u>	<u>12,424,291.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	55,000.00
Other Purchased Professional and Technical Services (390)		727,340.65	727,340.65	1,373,131.00
Construction Services (450)		125,865.81	125,865.81	10,497,581.30
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	29,208.93	29,208.93	498,578.70
<b>Total Expenditures</b>	<u>-</u>	<u>882,415.39</u>	<u>882,415.39</u>	<u>12,424,291.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>11,541,875.61</u>	<u>11,541,875.61</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		3/13/18		
Bonds Authorized		\$ 12,424,291.00		
Bonds Issued		\$ 12,424,291.00		
Original Authorized Cost		\$ 12,424,291.00		
Additional Authorized Cost		\$ -		
Revised Authorized Cost		\$ 12,424,291.00		
Percentage Increase over Original Authorized Cost		0.00%		
Percentage Completed		7.10%		
Original Target Completion Date		9/1/20		
Revised Target Completion Date		9/1/20		

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
Renovations and Additions to Memorial Middle School  
From Inception and for the Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant	\$ -	\$ -	\$ -	\$ -
Bond Proceeds		11,975,709.00	11,975,709.00	11,975,709.00
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>11,975,709.00</u>	<u>11,975,709.00</u>	<u>11,975,709.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	50,000.00
Other Purchased Professional and Technical Services (380)		729,656.50	729,656.50	1,289,668.00
Construction Services (450)		384,042.40	384,042.40	9,962,864.55
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	27,665.47	27,665.47	673,176.45
<b>Total Expenditures</b>	<u>-</u>	<u>1,141,364.37</u>	<u>1,141,364.37</u>	<u>11,975,709.00</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>10,834,344.63</u>	<u>10,834,344.63</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	3/13/18			
Bonds Authorized	\$ 11,975,709.00			
Bonds Issued	\$ 11,975,709.00			
Original Authorized Cost	\$ 11,975,709.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 11,975,709.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	9.53%			
Original Target Completion Date	9/1/20			
Revised Target Completion Date	9/1/20			

**Section G**  
**PROPRIETARY FUNDS**

**ENTERPRISE FUND**

**INTERNAL SERVICE FUND**



**Section H**  
**FIDUCIARY FUND**

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2019**

<u>Schools</u>	<u>Balance June 30, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2019</u>
Student Activity Funds	\$ 218,901.75	\$ 709,366.95	\$ 610,905.92	\$ 317,362.78
Athletic Fund	<u>3,505.37</u>	<u>63,365.92</u>	<u>56,270.00</u>	<u>10,601.29</u>
	<u>\$ 222,407.12</u>	<u>\$ 772,732.87</u>	<u>\$ 667,175.92</u>	<u>\$ 327,964.07</u>

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2019**

	<u>Balance June 30, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2019</u>
Payroll Deductions and Withholdings	\$ 419,081.12	\$ 29,989,069.99	\$ 29,966,630.50	\$ 441,520.61
Net Salaries and Wages	1,241.14	35,454,500.21	35,454,500.21	1,241.14
Interfunds Payable	<u>5,054.59</u>	<u>5,921.23</u>	<u>5,921.23</u>	<u>5,054.59</u>
	<u>\$ 425,376.85</u>	<u>\$ 65,449,491.43</u>	<u>\$ 65,427,051.94</u>	<u>\$ 447,816.34</u>

**Section I**  
**LONG - TERM DEBT**

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Long - Term Debt  
Schedule of Serial Bonds  
For the Fiscal Year Ended June 30, 2019**

Purpose	Date of Issue	Amount of Issue	Annual Maturities of Bonds Outstanding June 30, 2019		Interest Rate	Balance June 30, 2018	Issued Current Year	Retired Current Year	Balance June 30, 2019							
			Date	Amount												
Refunding Bonds	5/1/12	\$ 6,515,000.00	2/15/20	\$ 400,000.00	4.00%	\$ 4,990,000.00	\$ -	\$ 385,000.00	\$ 4,605,000.00							
			2/15/21	420,000.00	4.00%											
			2/15/22-23	430,000.00	4.00%											
			2/15/24-25	425,000.00	4.00%											
			2/15/26-27	420,000.00	4.00%											
			2/15/28	415,000.00	4.00%											
			2/15/29	415,000.00	3.125%											
			2/15/30	405,000.00	4.00%											
Refunding Bonds	11/19/13	9,950,000.00	2/15/20	670,000.00	4.00%	8,345,000.00		640,000.00	7,705,000.00							
			2/15/21	705,000.00	4.00%											
			2/15/22	725,000.00	4.00%											
			2/15/23	720,000.00	4.00%											
			2/15/24	715,000.00	4.00%											
			2/15/25	710,000.00	4.00%											
			2/15/26	705,000.00	4.00%											
			2/15/27	700,000.00	4.00%											
			2/15/28	695,000.00	4.00%											
			2/15/29	685,000.00	4.00%											
			2/15/30	675,000.00	4.00%											
			Various Improvements	3/3/15	10,877,000.00					3/1/20	430,000.00	2.00%	9,517,000.00		415,000.00	9,102,000.00
										3/1/21	445,000.00	2.00%				
3/1/22	465,000.00	3.00%														
3/1/23	480,000.00	3.00%														
3/1/24	500,000.00	3.00%														
3/1/25	520,000.00	3.00%														
3/1/26	535,000.00	3.00%														
3/1/27	555,000.00	3.00%														
3/1/28	580,000.00	3.00%														
3/1/29	600,000.00	3.00%														
3/1/30	620,000.00	3.125%														
3/1/31	645,000.00	3.125%														
3/1/32	665,000.00	3.25%														
3/1/33	675,000.00	3.25%														
3/1/34	690,000.00	3.25%														
3/1/35	697,000.00	3.25%														
Various Improvements	1/18/19	25,000,000.00	9/1/20	680,000.00	3.125%		25,000,000.00		25,000,000.00							
			9/1/21	695,000.00	3.125%											
			9/1/22	720,000.00	3.125%											
			9/1/23	750,000.00	3.125%											
			9/1/24	780,000.00	3.125%											
			9/1/25	810,000.00	3.125%											
			9/1/26	845,000.00	3.125%											
			9/1/27	875,000.00	3.125%											
			9/1/28	910,000.00	3.125%											
			9/1/29	950,000.00	3.125%											
			9/1/30	985,000.00	3.125%											
			9/1/31	1,025,000.00	3.125%											
			9/1/32	1,085,000.00	3.125%											
			9/1/33	1,110,000.00	3.125%											
			9/1/34	1,155,000.00	3.125%											
			9/1/35	1,200,000.00	3.125%											
			9/1/36	1,250,000.00	3.250%											
			9/1/37	1,295,000.00	3.375%											
			9/1/38	1,320,000.00	3.375%											
			9/1/39-43	1,320,000.00	3.500%											
						<u>\$ 22,852,000.00</u>	<u>\$ 25,000,000.00</u>	<u>\$ 1,440,000.00</u>	<u>\$ 48,412,000.00</u>							

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Long - Term Debt  
Schedule of Obligations Under Capital Leases  
For the Fiscal Year Ended June 30, 2019**

<u>Purpose</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2018</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2019</u>
Bus (1)	\$ 68,095.00	\$ 54,476.00	\$ -	\$ 13,619.00	\$ 40,857.00
Bus (2)	243,970.00		243,970.00	48,794.00	195,176.00
		-	-	-	-
		<u>\$ 54,476.00</u>	<u>\$ 243,970.00</u>	<u>\$ 62,413.00</u>	<u>\$ 236,033.00</u>

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
Budgetary Comparison Schedule  
Debt Service Fund  
For the Fiscal Year Ended June 30, 2019**

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to <u>Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 968,961.00	\$ -	\$ 968,961.00	\$ 968,961.00	\$ -
State Sources:					
Debt Service Aid Type I	<u>38,735.00</u>	-	<u>38,735.00</u>	<u>38,735.00</u>	-
Total - State Sources	<u>38,735.00</u>	-	<u>38,735.00</u>	<u>38,735.00</u>	-
<b>Total Revenues</b>	<u>1,007,696.00</u>	-	<u>1,007,696.00</u>	<u>1,007,696.00</u>	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	806,928.00		806,928.00	806,927.52	0.48
Redemption of Principal	<u>1,440,000.00</u>		<u>1,440,000.00</u>	<u>1,440,000.00</u>	-
Total Regular Debt Service	<u>2,246,928.00</u>		<u>2,246,928.00</u>	<u>2,246,927.52</u>	0.48
<b>Total Expenditures</b>	<u>2,246,928.00</u>		<u>2,246,928.00</u>	<u>2,246,927.52</u>	0.48
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,239,232.00)		(1,239,232.00)	(1,239,231.52)	0.48
<b>Other Financing Sources:</b>					
Operating Transfers In:					
Capital Reserve Transferred from General Fund	1,231,134.00		1,231,134.00	1,231,134.00	
Interest Earned In Capital Projects Fund	<u>-</u>		<u>-</u>	<u>143,954.17</u>	<u>143,954.17</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(8,098.00)		(8,098.00)	135,856.65	143,954.65
Fund Balance, July 1	<u>19,769.95</u>	<u>-</u>	<u>19,769.95</u>	<u>19,769.95</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 11,671.95</u>	<u>\$ -</u>	<u>\$ 11,671.95</u>	<u>\$ 155,626.60</u>	<u>\$ 143,954.65</u>
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures: Budgeted Fund Balance	<u>\$ (8,098.00)</u>	<u>\$ -</u>	<u>\$ (8,098.00)</u>	<u>\$ 135,856.65</u>	<u>\$ 143,954.65</u>

## **STATISTICAL SECTION (UNAUDITED)**

**GASB requires that ten years of statistical data be presented. Pursuant to State of New Jersey Department of Education requirements issued for the fiscal year ended June 30, 1994, only two years statistical data needed to be presented. Additional year's data will be included each year thereafter until ten years of data is presented.**



## STATISTICAL SECTION (Unaudited)

### Financial Trends

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**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**

**Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited**

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental activities</b>										
Net investment in capital assets										
Restricted	\$ (883,813.77)	\$ 21,337,572.42	\$ 20,483,292.58	\$ 14,636,650.75	\$ 4,280,067.60	\$ 13,405,731.00	\$ 12,732,213.28	\$ 12,271,681.39	\$ 12,437,954.98	\$ 12,358,935.76
Unrestricted	41,080,211.63	15,183,265.78	11,650,011.36	15,904,197.57	20,255,650.79	6,127,278.41	6,899,681.13	6,147,807.66	4,152,683.64	1,356,184.10
Total governmental activities net position	<u>\$ (27,457,783.64)</u>	<u>\$ (29,219,934.55)</u>	<u>\$ (28,002,233.51)</u>	<u>\$ (25,407,383.46)</u>	<u>\$ (24,573,884.11)</u>	<u>\$ 3,468,025.28</u>	<u>\$ 3,208,464.31</u>	<u>\$ 3,058,399.14</u>	<u>\$ 2,638,429.38</u>	<u>\$ 1,329,157.59</u>
<b>Business-type activities</b>										
Net investment in capital assets										
Restricted	\$ 89,842.05	\$ 102,221.28	\$ 82,055.62	\$ 38,523.47	\$ 45,882.22	\$ 53,235.00	\$ 27,659.78	\$ 24,354.14	\$ 29,647.37	\$ 35,645.62
Unrestricted	140,734.40	128,065.44	135,890.23	127,724.68	110,346.92	62,189.98	55,135.63	85,001.48	97,476.20	145,893.32
Total business-type activities net position	<u>\$ 230,576.45</u>	<u>\$ 230,286.72</u>	<u>\$ 217,945.85</u>	<u>\$ 166,248.15</u>	<u>\$ 156,229.14</u>	<u>\$ 115,424.98</u>	<u>\$ 82,795.41</u>	<u>\$ 119,355.62</u>	<u>\$ 127,123.57</u>	<u>\$ 181,538.94</u>
<b>District-wide</b>										
Net investment in capital assets										
Restricted	\$ (793,971.72)	\$ 21,439,793.70	\$ 20,545,348.20	\$ 14,675,174.22	\$ 4,325,949.82	\$ 13,458,966.00	\$ 12,759,873.06	\$ 12,296,235.53	\$ 12,467,602.35	\$ 12,394,581.38
Unrestricted	41,080,211.63	15,183,265.78	11,650,011.36	15,904,197.57	20,255,650.79	6,127,278.41	6,899,681.13	6,147,807.66	4,152,683.64	1,356,184.10
Total district net position	<u>\$ (27,317,049.24)</u>	<u>\$ (29,091,869.11)</u>	<u>\$ (27,866,343.28)</u>	<u>\$ (25,279,658.78)</u>	<u>\$ (24,483,537.19)</u>	<u>\$ 3,530,215.26</u>	<u>\$ 3,263,599.94</u>	<u>\$ 3,153,400.62</u>	<u>\$ 2,735,905.58</u>	<u>\$ 1,475,050.91</u>
	<u>\$ 12,969,190.67</u>	<u>\$ 7,531,190.37</u>	<u>\$ 4,329,016.28</u>	<u>\$ 5,299,713.01</u>	<u>\$ 118,063.42</u>	<u>\$ 23,116,459.67</u>	<u>\$ 22,923,154.13</u>	<u>\$ 21,597,443.81</u>	<u>\$ 19,356,191.57</u>	<u>\$ 15,225,816.39</u>

Source: District records

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction</b>										
Regular	\$ 48,065,323.00	\$ 48,488,827.72	\$ 38,117,291.43	\$ 35,819,056.52	\$ 34,812,630.69	\$ 35,170,956.28	\$ 35,721,711.17	\$ 34,640,160.52	\$ 32,573,602.83	\$ 33,680,890.65
Special education	16,540,953.35	16,856,709.39	12,715,895.85	12,443,481.07	11,765,414.18	11,402,398.35	10,819,495.77	10,441,443.81	9,513,221.90	10,417,029.62
Other instruction	6,198,327.51	6,366,302.81	4,833,316.22	4,562,451.15	4,465,706.06	4,437,946.21	4,275,795.03	3,758,175.68	3,631,484.01	4,242,269.36
<b>Support Services:</b>										
Tuition	5,315,137.76	5,541,479.55	5,335,117.96	5,134,289.84	5,261,421.88	4,774,496.11	4,274,644.59	4,402,971.93	3,882,456.52	4,152,948.08
Student and instruction related services	19,071,032.14	19,281,878.22	15,119,459.63	13,758,505.38	12,827,787.07	12,610,391.89	12,207,572.73	11,940,973.60	11,189,962.19	12,200,992.70
School administrative services	7,568,441.42	7,671,347.45	5,385,838.97	5,168,901.25	5,069,822.58	5,106,682.76	5,079,807.50	4,841,843.87	4,769,773.42	4,979,802.36
General and business administrative services	6,171,831.10	5,969,335.28	4,820,020.08	4,416,526.63	4,103,071.55	4,006,278.79	4,115,794.68	3,577,001.78	3,605,452.83	3,934,086.49
Plant operations and maintenance	9,621,846.22	9,527,625.27	8,240,814.41	7,588,178.19	8,217,671.27	8,582,066.60	8,992,963.39	7,660,728.37	7,161,297.94	7,796,910.31
Pupil transportation	4,128,775.29	4,082,606.76	3,448,391.41	3,168,342.85	3,050,624.10	2,813,841.33	2,654,604.98	2,637,156.82	2,560,997.54	2,667,032.13
Special Schools	2,790,394.14	2,708,630.32	2,171,073.54	2,060,396.13	2,592,269.68	2,546,808.06	2,601,632.39	2,502,783.81	2,533,880.44	2,920,547.33
Charter Schools	39,057.00	35,860.00	47,813.00	68,124.00	73,101.00	61,582.00	59,127.00	80,792.00	74,956.00	55,068.00
SDA Debt Service Assessment	77,256.00	77,256.00	77,256.00	77,256.00	77,256.00	77,256.00	77,256.00	55,821.00	93,421.00	83,421.00
Interest on long-term debt	1,109,331.64	834,542.11	871,098.86	903,555.55	735,627.21	582,167.72	676,479.36	943,014.68	934,101.77	972,927.53
<b>Total governmental activities expenses</b>	<b>126,694,707.37</b>	<b>127,342,400.88</b>	<b>100,981,387.36</b>	<b>95,168,532.56</b>	<b>93,052,383.25</b>	<b>92,172,867.88</b>	<b>91,557,084.59</b>	<b>87,482,867.83</b>	<b>82,524,608.19</b>	<b>88,020,500.76</b>
<b>Business-type activities:</b>										
Food service	1,453,482.98	1,283,132.39	1,192,191.79	1,218,615.40	1,180,225.28	1,165,252.32	1,134,413.27	1,215,172.39	1,214,717.27	1,180,944.84
<b>Total business-type activities expense</b>	<b>1,453,482.98</b>	<b>1,283,132.39</b>	<b>1,192,191.79</b>	<b>1,218,615.40</b>	<b>1,180,225.28</b>	<b>1,165,252.32</b>	<b>1,134,413.27</b>	<b>1,215,172.39</b>	<b>1,214,717.27</b>	<b>1,180,944.84</b>
<b>Total district-wide expenses</b>	<b>\$ 128,148,190.35</b>	<b>\$ 128,625,533.27</b>	<b>\$ 102,173,579.15</b>	<b>\$ 96,387,147.96</b>	<b>\$ 94,232,608.53</b>	<b>\$ 93,338,120.20</b>	<b>\$ 92,691,497.86</b>	<b>\$ 88,698,040.22</b>	<b>\$ 83,739,325.46</b>	<b>\$ 89,201,445.60</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Pupil transportation	\$ 50,027.50	\$ 47,823.40	\$ 41,784.20	\$ 42,578.21	\$ 45,164.00	\$ 42,416.80	\$ 40,324.00	\$ 39,115.00	\$ 37,539.00	\$ 37,674.00
Special Schools	2,499,781.30	2,187,781.41	1,991,471.89	1,819,894.34	1,685,141.82	1,609,023.24	1,650,266.92	1,588,918.00	1,575,267.93	1,593,438.49
Interest on long-term debt	1,069,596.64	796,196.11	871,098.86	903,555.55	735,627.21	582,167.72	676,479.36	943,014.68	934,101.77	972,927.53
Operating grants and contributions	37,204,405.88	38,737,638.37	13,474,729.75	13,148,766.58	12,911,837.40	13,236,608.46	14,012,815.31	12,407,583.23	10,290,997.63	12,742,759.49
<b>Total governmental activities program revenues</b>	<b>40,823,811.32</b>	<b>41,769,439.29</b>	<b>16,379,084.50</b>	<b>15,914,594.68</b>	<b>15,377,770.43</b>	<b>15,470,216.22</b>	<b>16,379,885.59</b>	<b>14,978,630.89</b>	<b>12,837,906.33</b>	<b>15,346,799.51</b>

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Business-type activities:</b>										
Charges for services										
Food service	\$ 1,069,577.19	\$ 966,602.96	\$ 826,787.40	\$ 891,361.98	\$ 938,008.85	\$ 854,357.72	\$ 820,309.09	\$ 887,547.60	\$ 896,823.52	\$ 911,540.11
Operating grants and contributions	361,943.73	328,431.89	316,935.04	337,108.87	282,864.17	312,540.12	277,250.55	292,054.82	282,434.90	274,736.01
Total business-type activities program revenues	1,451,520.92	1,295,034.65	1,243,722.44	1,228,470.85	1,220,873.02	1,166,897.84	1,097,559.64	1,189,602.42	1,159,358.42	1,186,276.12
Total district-wide program revenues	\$ 42,275,332.24	\$ 43,064,473.94	\$ 17,622,808.94	\$ 17,143,068.53	\$ 16,598,843.45	\$ 16,637,114.00	\$ 17,477,445.23	\$ 18,168,233.31	\$ 13,997,264.75	\$ 18,533,075.63
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (85,870,896.05)	\$ (85,572,961.58)	\$ (84,602,302.86)	\$ (79,253,937.88)	\$ (77,674,612.82)	\$ (76,702,651.66)	\$ (75,177,199.00)	\$ (72,506,236.94)	\$ (68,686,701.86)	\$ (72,673,701.25)
Business-type activities	(1,962.06)	11,902.28	51,530.65	9,856.45	40,847.74	1,645.52	(36,853.63)	(25,569.97)	(56,358.85)	5,331.29
Total district-wide net expense	\$ (85,872,858.11)	\$ (85,561,059.33)	\$ (84,550,772.21)	\$ (79,244,081.43)	\$ (77,633,765.08)	\$ (76,701,006.14)	\$ (75,214,052.63)	\$ (72,531,806.91)	\$ (68,742,060.71)	\$ (72,668,369.97)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 89,318,034.00	\$ 86,248,924.00	\$ 81,768,743.00	\$ 79,519,827.00	\$ 77,888,891.00	\$ 75,823,913.00	\$ 74,548,206.00	\$ 73,158,200.00	\$ 71,900,203.00	\$ 68,935,957.00
Property taxes, levied for debt service principal	(100,635.64)	773,153.89	691,363.14	686,139.45	258,353.79	742,865.28	1,272,664.84	997,207.34	994,208.23	875,210.47
Federal and State aid not restricted	1,164,307.78	967,762.54	553,754.70	411,672.85	495,180.38	289,687.17	278,950.72	223,195.66	159,812.13	1,653,282.06
Tuition (other than special schools)	340,933.04	300,783.09	300,271.08	433,008.59	382,182.32	515,497.79	551,374.40	501,205.00	515,573.94	439,412.35
Investment earnings	752,160.57	300,133.10	90,351.80	122,178.77	54,879.59	22,586.10	49,068.68	81,979.30	120,210.56	187,708.94
Miscellaneous income	303,164.72	172,058.19	175,424.73	267,400.80	207,074.31	135,870.83	308,823.93	231,664.29	152,580.51	84,505.50
Transfers						(30,850.00)				
N.J. Economic Development Authority grants	(469,257.83)				3,260,394.00			(1,230.76)	(25,259.29)	
Adjustment to Capital Assets				2,985,343.00		(1,046,342.54)	(467,618.82)	(343,963.70)	54,363.23	1,038,685.12
Refunding bond proceeds						410,000.00		(93,000.00)		
Total governmental activities	\$ 91,308,806.62	\$ 88,762,794.81	\$ 83,579,908.43	\$ 84,425,568.48	\$ 82,556,935.39	\$ 76,863,327.63	\$ 76,539,469.53	\$ 74,755,257.13	\$ 73,871,492.41	\$ 73,214,741.48
<b>Business-type activities:</b>										
Investment earnings	2,251.79	438.61	167.05	162.56	156.42	134.05	293.42	641.55	943.48	1,027.51
Transfers						30,850.00				
Total business-type activities	2,251.79	438.61	167.05	162.56	156.42	30,850.00	293.42	641.55	943.48	1,027.51
Total district-wide general revenues	\$ 91,310,858.41	\$ 88,763,233.42	\$ 83,580,075.48	\$ 84,425,731.02	\$ 82,557,091.81	\$ 76,894,311.88	\$ 76,539,762.95	\$ 74,755,898.68	\$ 73,872,435.89	\$ 73,215,768.97
<b>Change in Net Position</b>										
Governmental activities	\$ 5,437,710.57	\$ 3,189,833.22	\$ (1,022,394.43)	\$ 5,171,630.58	\$ 4,882,322.57	\$ 160,675.97	\$ 1,362,270.53	\$ 2,249,020.19	\$ 4,184,790.55	\$ 541,040.21
Business-type activities	289.73	12,340.87	51,697.70	10,019.01	40,804.16	32,629.57	(36,560.21)	(24,928.42)	(54,415.37)	6,358.79
Total district-wide change in net position	\$ 5,438,000.30	\$ 3,202,174.09	\$ (970,696.73)	\$ 5,181,649.59	\$ 4,923,126.73	\$ 193,305.54	\$ 1,325,710.32	\$ 2,224,091.77	\$ 4,130,375.18	\$ 547,399.00

Source: District records

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
  
Fund Balances - Governmental Funds,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Fund</b>										
Restricted	\$ 13,173,241.70	\$ 10,736,858.42	\$ 7,048,717.71	\$ 6,356,884.70	\$ 4,397,715.18	\$ 4,525,671.43	\$ 3,306,381.44	\$ 2,016,787.27	\$ 677,558.25	\$ -
Assigned	7,527,974.77	4,280,700.42	4,189,993.66	4,456,843.98	3,084,910.64	3,224,790.67	5,349,036.05	6,003,450.68	5,308,594.63	
Unassigned	2,811,514.62	2,807,117.51	3,176,841.99	2,946,275.04	3,023,835.39	2,868,452.78	2,284,476.81	2,111,659.14	1,659,454.38	
Reserved										1,816,066.03
Unreserved										2,011,240.09
<b>Total general fund</b>	<b>\$ 23,512,731.09</b>	<b>\$ 17,824,676.35</b>	<b>\$ 14,415,553.36</b>	<b>\$ 13,760,003.72</b>	<b>\$ 10,516,461.21</b>	<b>\$ 10,618,915.08</b>	<b>\$ 10,939,894.30</b>	<b>\$ 10,131,897.09</b>	<b>\$ 7,643,607.26</b>	<b>\$ 3,627,306.12</b>
<b>All Other Governmental Funds</b>										
Restricted, reported in:										
Capital projects fund	\$ 2,365,326.54	\$ 1,747,098.69	\$ 1,860,796.67	\$ 2,172,159.90	\$ 4,947,421.98	\$ -	\$ -	\$ (1,812.26)	\$ (10,298.00)	\$ -
Debt service fund	155,626.60	19,789.95	35,980.33	37,805.45	100,184.91	120,137.21	32,497.28	4,027.99	8,058.07	
Assigned, reported in:										
Capital projects fund	21,275,335.28	189,727.42	321,447.52	4,699,194.23	9,545,510.13				10,021.50	
Reserved										15,149.16
Unreserved, reported in:										
Special revenue fund										53,972.05
Capital projects fund										24,425.93
Debt service fund										
<b>Total all other governmental funds</b>	<b>\$ 23,798,288.40</b>	<b>\$ 1,956,598.06</b>	<b>\$ 2,218,224.52</b>	<b>\$ 6,909,159.58</b>	<b>\$ 14,593,117.02</b>	<b>\$ 120,137.21</b>	<b>\$ 32,497.28</b>	<b>\$ 2,215.73</b>	<b>\$ 7,781.57</b>	<b>\$ 83,547.14</b>
<b>Total Fund Balances</b>	<b>\$ 47,309,019.49</b>	<b>\$ 19,781,272.41</b>	<b>\$ 16,633,777.88</b>	<b>\$ 20,669,163.30</b>	<b>\$ 25,109,578.23</b>	<b>\$ 10,739,052.29</b>	<b>\$ 10,972,391.58</b>	<b>\$ 10,134,112.82</b>	<b>\$ 7,651,388.83</b>	<b>\$ 3,720,853.26</b>

Source: District records

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

Changes in Fund Balances - Governmental Funds,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues</b>										
Tax levy	\$ 90,286,895.00	\$ 87,818,274.00	\$ 83,331,205.00	\$ 81,109,522.00	\$ 78,982,872.00	\$ 77,148,946.00	\$ 76,497,350.00	\$ 75,098,422.00	\$ 73,828,513.00	\$ 70,784,095.00
Tuition charges	340,933.04	300,763.09	300,271.06	433,008.59	392,162.32	515,487.79	551,374.40	501,205.00	515,573.94	439,412.35
Transportation fees	50,027.50	47,823.40	41,784.20	42,578.21	45,164.00	42,416.80	40,324.00	39,115.00	37,539.00	37,674.00
Interest earnings	752,160.57	300,133.10	90,351.80	122,176.77	54,879.59	22,586.10	49,068.66	81,979.30	120,210.56	187,708.94
Miscellaneous	2,909,522.20	2,407,004.77	2,336,201.48	2,130,969.27	1,936,464.30	1,790,178.70	2,059,459.45	1,996,152.20	1,952,502.67	1,773,209.16
State sources	22,388,809.94	18,107,001.81	12,168,791.81	11,815,445.34	11,668,227.03	12,053,965.16	12,700,087.85	10,800,944.11	8,649,010.22	11,688,197.03
Federal sources	1,671,373.52	1,651,164.93	1,690,387.58	1,701,119.86	1,694,542.58	1,427,145.84	1,489,309.58	1,652,264.87	1,576,945.31	2,612,559.37
<b>Total revenues</b>	<b>119,379,821.77</b>	<b>110,632,165.10</b>	<b>99,958,992.93</b>	<b>97,354,820.14</b>	<b>94,674,311.82</b>	<b>93,000,736.39</b>	<b>93,386,973.94</b>	<b>90,170,082.48</b>	<b>88,680,294.70</b>	<b>87,522,855.85</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	29,118,004.39	26,693,485.10	26,880,045.18	25,954,458.40	26,050,512.12	25,325,033.20	25,456,340.21	24,983,713.48	22,883,527.07	24,082,292.06
Special education instruction	10,097,090.47	9,711,778.16	9,314,438.69	9,381,061.04	9,115,350.71	8,553,728.72	8,010,784.10	7,669,881.57	7,163,495.19	8,055,954.73
Other instruction	3,732,685.34	3,615,466.56	3,540,498.02	3,439,297.38	3,374,071.27	3,286,457.87	3,123,749.60	2,779,476.63	2,507,808.69	3,128,792.55
<b>Support Services:</b>										
Tuition	5,315,137.76	5,541,479.55	5,335,117.96	5,134,289.84	5,261,421.88	4,774,496.11	4,274,644.59	4,402,971.93	3,882,456.52	4,152,946.08
Student and instruction related services	12,054,283.79	11,507,740.72	11,231,372.66	10,414,047.23	9,981,286.39	9,601,712.67	9,108,040.11	9,060,817.43	8,408,796.91	9,159,194.05
School administrative services	4,351,319.56	4,192,197.89	3,829,818.80	3,906,873.46	3,745,928.14	3,643,694.46	3,571,871.77	3,499,949.93	3,442,810.51	3,525,978.15
General and business administrative services	4,277,561.85	3,918,148.80	3,710,080.78	3,622,293.18	3,314,628.04	3,209,206.27	3,273,028.15	2,838,084.32	2,837,235.71	3,146,884.02
Plant operations and maintenance	7,557,720.59	7,190,404.35	7,113,896.12	6,577,385.38	7,234,782.88	7,479,566.10	7,726,024.89	6,378,196.55	5,879,831.43	6,271,474.43
Pupil transportation	3,104,566.96	2,961,311.70	2,746,972.73	2,538,881.93	2,574,590.57	2,346,791.18	2,188,113.69	2,098,277.32	2,037,876.07	2,127,077.19
Employee benefits	29,169,534.34	26,665,898.99	19,776,308.72	18,928,908.56	17,940,267.46	19,632,166.14	20,671,736.97	19,284,567.77	19,352,024.01	19,709,084.73
Special Schools	1,921,467.30	1,775,260.00	1,743,801.45	1,695,518.15	2,124,550.43	2,053,006.75	2,068,562.44	2,014,651.59	1,997,041.81	2,336,459.43
Transfers to Charter Schools	39,057.00	35,860.00	47,813.00	68,124.00	73,101.00	61,582.00	59,127.00	80,792.00	74,956.00	55,066.00
Capital outlay	3,641,329.99	1,540,061.23	6,544,444.22	8,054,139.61	2,026,832.73	1,387,246.03	1,092,953.03	449,873.35	310,556.96	1,086,511.02
<b>Debt service:</b>										
Principal	1,440,000.00	1,385,000.00	1,365,000.00	1,265,000.00	875,000.00	1,222,457.72	1,160,816.89	1,039,254.41	997,802.93	936,422.77
Interest and other charges	806,927.52	850,577.52	882,865.02	914,956.91	648,856.26	627,080.26	762,891.74	907,618.82	948,280.66	986,140.14
<b>Total expenditures</b>	<b>115,626,686.86</b>	<b>107,484,670.57</b>	<b>104,062,473.35</b>	<b>101,795,235.07</b>	<b>94,241,179.88</b>	<b>93,203,225.68</b>	<b>92,548,695.18</b>	<b>87,686,127.10</b>	<b>82,724,500.47</b>	<b>89,759,277.35</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>2,753,134.91</b>	<b>3,147,494.53</b>	<b>(4,103,480.42)</b>	<b>(4,440,414.93)</b>	<b>433,131.94</b>	<b>(202,489.29)</b>	<b>838,278.76</b>	<b>2,483,955.38</b>	<b>3,955,794.23</b>	<b>(1,236,421.50)</b>

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
Changes in Fund Balances - Governmental Funds,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Unaudited

	2019	2018	2017	2018	2014	2013	2012	2011	2010
Other financing sources (uses)									
Proceeds from borrowing									
Proceeds from Lease/Purchase									
N.J.S.D.A. Grants	(469,357.63)		68,095.00		3,260,394.00		(1,230.76)	(25,259.29)	
Capital leases (non-budgeted)	243,670.00				10,677,000.00				
Serial Bond Proceeds	25,000,000.00		606,097.90	527,882.45	2,110,962.96	1,973.97	8,777.13	67,711.03	557,212.12
Transfers in	1,375,068.17	611,671.14	(606,097.90)	(527,882.45)	(2,110,962.96)	(1,973.97)	(8,777.13)	(67,711.03)	(557,212.12)
Transfers out	(1,375,068.17)	(611,671.14)	(606,097.90)	(527,882.45)	(2,110,962.96)	(1,973.97)	(8,777.13)	(67,711.03)	(557,212.12)
Total other financing sources (uses)	24,774,612.17	-	68,095.00	-	13,937,394.00	-	(1,230.76)	(25,259.29)	-
Net change in fund balances	\$ 27,527,747.08	\$ 3,147,494.53	\$ (4,035,385.42)	\$ (4,440,414.93)	\$ 14,370,525.94	\$ 639,278.78	\$ 2,482,724.62	\$ 3,800,534.94	\$ (1,236,421.50)
Debt service as a percentage of noncapital expenditures	2.01%	2.11%	2.31%	2.33%	1.65%	2.10%	2.23%	2.56%	2.18%

Source: District records

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tuition	\$ 340,933.04	\$ 300,763.09	\$ 300,271.06	\$ 433,008.59	\$ 392,162.32	\$ 515,497.79	\$ 551,374.40	\$ 501,205.00	\$ 515,573.94	\$ 439,412.35
Transportation	50,027.50	47,823.40	41,784.20	42,578.21	45,164.00	42,416.80	40,324.00	39,115.00	37,539.00	37,674.00
Interest	608,206.40	288,481.96	82,253.90	94,294.32	44,958.63	22,586.10	49,068.88	81,065.15	118,804.83	181,057.34
Accounts Payable Canceled							17,770.52			5,076.77
Adult & Summer School Fees	2,499,781.30	2,187,781.41	1,991,471.69	1,819,694.34	1,685,141.82	1,609,023.24	1,650,266.92	1,644,973.00	1,575,267.93	1,593,438.49
Rentals					6,147.00	36,955.00	117,225.00	110,194.00	47,275.00	48,206.00
Refunds										
Custodial Fees and Gate Receipts	38,644.99	12,957.16	12,536.94	8,268.25	17,108.80	27,772.57	39,699.80			17,570.42
Miscellaneous	264,519.73	159,101.03	162,887.79	259,132.55	183,818.51	40,003.35	131,256.40	61,708.29	105,305.51	7,152.31
<b>Total</b>	<b>\$ 3,802,112.96</b>	<b>\$ 2,996,888.05</b>	<b>\$ 2,591,205.58</b>	<b>\$ 2,856,976.28</b>	<b>\$ 2,374,499.08</b>	<b>\$ 2,294,254.85</b>	<b>\$ 2,596,985.70</b>	<b>\$ 2,438,260.44</b>	<b>\$ 2,399,766.21</b>	<b>\$ 2,329,587.68</b>



BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

Assessed Value and Estimated Actual Value of Taxable Property,  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended December 31.	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2010	\$ 28,929,200	\$ 4,198,049,100	\$ -	\$ 480,255,300	\$ 216,482,000	\$ 135,219,700	\$ 5,058,935,300	\$ 11,397,254	\$ 5,070,332,554	\$ 5,160,042,949	1.428
2011	33,262,300	4,202,671,100		475,737,700	212,041,000	130,785,300	5,054,497,400	10,145,085	5,064,642,485	5,093,674,514	1.471
2012	30,421,600	3,301,846,100		458,062,200	206,415,400	135,380,600	4,132,136,300	1,000,000	4,133,136,300	4,513,685,965	1.834
2013	25,218,000	3,305,772,100		465,894,300	205,422,700	135,290,800	4,137,597,900	917	4,137,598,817	4,540,063,262	1.857
2014	22,706,500	3,311,604,600		468,325,300	203,460,800	134,921,200	4,139,018,400	941	4,139,019,341	4,428,212,069	1.885
2015	12,589,500	3,316,936,900		498,705,500	201,810,800	134,921,200	4,166,963,900	926	4,166,964,826	4,526,605,525	1.920
2016	12,667,000	3,328,302,400		502,855,500	205,199,400	134,921,200	4,183,945,500	907	4,183,946,407	4,641,094,795	1.834
2017	13,370,300	3,340,673,200		502,687,100	203,678,900	134,821,200	4,195,030,700	885	4,195,031,585	4,768,965,051	2.040
2018	18,573,200	3,352,911,500		500,578,700	204,925,300	134,821,200	4,211,609,900	840	4,211,610,740	5,094,484,812	2.114
2019	23,854,900	3,368,452,900		496,056,100	204,844,600	134,821,200	4,227,829,700	827	4,227,830,527	5,114,103,907	2.172

Source: Municipal Tax Assessor

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**

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

Fiscal Year Ended December 31,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Municipality	County	
2010	1.388	0.038	1.426	0.657	0.200	2.283
2011	1.433	0.038	1.471	0.652	0.214	2.337
2012	1.787	0.047	1.834	0.870	0.238	2.942
2013	1.811	0.046	1.857	0.879	0.253	2.989
2014	1.840	0.045	1.885	0.886	0.255	3.026
2015	1.883	0.037	1.920	0.897	0.261	3.078
2016	1.782	0.052	1.834	0.870	0.238	2.942
2017	1.986	0.054	2.040	0.901	0.285	3.226
2018	2.061	0.053	2.114	0.901	0.293	3.308
2019	1.639	0.533	2.172	0.902	0.296	3.370

Source: Municipal Tax Collector

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**

**Principal Property Taxpayers  
Current Year and Ten Years Ago  
Unaudited**

<u>Fiscal Year Ended June 30,</u>	<u>2019</u>		<u>2009</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Fair Lawn Promenade, LLC	\$ 51,573,600	1.22%		
Fair Lawn Estates Assoc.	44,202,700	1.05%		
Fairlawn Associates	34,589,000	0.82%		
Mondelez Global, LLC	29,319,600	0.69%		
Columbia Savings Bank	21,968,800	0.52%		
Bon-Marc Realty	17,964,400	0.42%		
17-17 Realty Associates	17,594,900	0.42%		
Fairlawn Industries, LP	17,044,300	0.40%		
Sandvik	16,500,000	0.39%		
Novle I/HY Fair Lawn, LLC	13,076,900	0.31%		
<b>Total</b>	<b>\$ 263,834,200</b>	<b>6.24%</b>	<b>\$ -</b>	<b>0.00%</b>

Source: Municipal Tax Assessor

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**

**Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 110,139,698	\$ 108,730,126	98.72%	\$ 997,339	\$ 109,727,465	99.62%
2010	116,342,968	114,796,203	98.67%	1,342,472	116,138,675	99.82%
2011	118,879,999	117,368,343	98.72%	1,085,844	118,454,187	99.64%
2012	122,138,055	121,006,621	99.07%	1,084,946	122,091,567	99.96%
2013	124,087,905	123,057,247	99.16%	957,890	124,015,137	99.94%
2014	126,147,730	125,079,266	99.15%	1,028,863	126,108,129	99.96%
2015	129,126,782	128,121,385	99.22%	950,482	129,071,867	99.95%
2016	131,918,891	130,967,803	99.27%	911,536	131,879,339	99.97%
2017	135,926,990	135,116,883	99.40%	720,717	135,837,600	99.93%
2018	139,933,151	139,059,469	99.37%		139,059,469	99.37%

Source: Municipal Tax Collector

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Loans	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2010	\$ 21,622,000	\$ 180,332	\$ -	\$ -	\$ -	\$ 21,802,332	1.64%	671	
2011	21,372,000	137,529				21,509,529	1.60%	658	
2012	19,765,000	93,275				19,858,275	1.45%	605	
2013	18,650,000	47,458				18,697,458	1.36%	567	
2014	17,065,000					17,065,000	1.20%	509	
2015	26,867,000					26,867,000	1.93%	800	
2016	25,602,000					25,602,000	1.88%	765	
2017	24,237,000		68,095.00			24,305,095	1.70%	721	
2018	22,852,000		54,476.00			22,906,476	1.53%	691	
2019	46,412,000		236,033.00			46,648,033	2.94%	1408	

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**

**Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2010	\$ 21,622,000	\$ -	\$ 21,622,000	0.43%	665
2011	21,372,000		21,372,000	0.42%	654
2012	19,765,000		19,765,000	0.48%	602
2013	18,650,000		18,650,000	0.45%	568
2014	17,065,000		17,065,000	0.41%	517
2015	26,867,000		26,867,000	0.65%	801
2016	25,602,000		25,602,000	0.61%	765
2017	24,237,000		24,237,000	0.58%	719
2018	22,852,000		22,852,000	0.54%	690
2019	46,412,000		46,412,000	1.10%	1,401

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**

**Direct and Overlapping Governmental Activities Debt  
As of December 31,2018  
Unaudited**

Net Direct Debt of School District as of December 31,2018		\$ 47,852,000.00
Net Overlapping Debt of School District:		
Borough of Fair Lawn (100%)	\$ 32,443,871.00	
County of Bergen - Borough's share (2.833%)	24,808,876.08	
Passaic Valley Sewerage Commissioners - Borough's share (1.315%)	<u>3,660,491.02</u>	
		<u>60,913,238.10</u>
Total Direct and Overlapping Debt as of December 31,2018		<u>\$ 108,765,238.10</u>

**Source: Borough of Fair Lawn School District Chief Financial Officer and Bergen County Treasurer's Office, Bergen County Utility Authority and Passaic Valley Sewerage Commissioners.**

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**

**Legal Debt Margin Information  
Last Ten Fiscal Years  
Unaudited**

**Legal Debt Margin Calculation for Fiscal Year 2018**

	Equalized valuation basis	
	2016	4,729,759,778
	2017	4,993,489,704
	2018	5,094,483,972
		<u>\$ 14,817,733,454</u>
	Average equalized valuation of taxable property	<u>\$ 4,939,244,485</u>
	Debt limit (4 % of average equalization value)	197,569,779
	Total Net Debt Applicable to Limit	<u>\$ 46,412,000</u>
	Legal debt margin	<u>\$ 151,157,779</u>

	Fiscal Year				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 178,306,013	\$ 179,500,688	\$ 183,937,189	\$ 190,919,954	\$ 197,569,779
Total net debt applicable to limit	<u>26,867,000</u>	<u>25,602,000</u>	<u>24,237,000</u>	<u>22,852,000</u>	<u>46,412,000</u>
Legal debt margin	<u>\$ 151,439,013</u>	<u>\$ 153,898,688</u>	<u>\$ 159,700,189</u>	<u>\$ 168,067,954</u>	<u>\$ 151,157,779</u>
Total net debt applicable to the limit as a percentage of debt limit	15.07%	14.26%	13.18%	11.97%	23.49%

	Fiscal Year				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 210,513,372	\$ 206,925,768	\$ 200,307,829	\$ 191,946,457	\$ 183,181,602
Total net debt applicable to limit	<u>21,802,585</u>	<u>21,509,529</u>	<u>19,858,275</u>	<u>18,697,458</u>	<u>17,065,000</u>
Legal debt margin	<u>\$ 188,710,787</u>	<u>\$ 185,416,239</u>	<u>\$ 180,449,554</u>	<u>\$ 173,248,999</u>	<u>\$ 166,116,602</u>
Total net debt applicable to the limit as a percentage of debt limit	10.36%	10.39%	9.91%	9.74%	9.32%

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



**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**

**Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited**

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010	32,497 Actual	\$ 1,329,387,276	\$ 40,908 Actual	8.50%
2011	32,669	1,347,114,840	41,235	8.90%
2012	32,847	1,365,290,354	41,565	8.40%
2013	32,998	1,376,346,580	41,710	7.20%
2014	33,549	1,418,283,975	42,275	5.00%
2015	33,597	1,390,915,800	41,400 (Est)	4.50%
2016	33,453	1,361,236,023	40,691 (Est)	4.10%
2017	33,710	1,430,787,240	42,444 (Est)	3.70%
2018	33,128 (Est.)	1,497,915,648	45,216 (Est)	3.30%
2019	33,128 (Est.)	1,587,790,587	47,929 (Est)	

**Sources:**

Population information provided by the NJ Dept of Labor and Workforce Development

Personal income has been estimated based upon the municipal population and per capita personal income presented

Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

Unemployment data provided by the NJ Dept of Labor and Workforce Development

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**

**Principal Employers  
Current Year and Ten Years Ago  
Unaudited**

<u>Employer</u>	<u>2019</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
		Not Available			Not Available	
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Source:

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**

**Full-time Equivalent District Employees by Function/Program  
Last Ten Fiscal Years  
Unaudited**

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	278	266	277	304	304	328	357	359	302	303
Special education	52	54	59	70	97	110	122	123	102	133
Other instruction	30	43	40	28	20	20	20	20	35	41
School sponsored/other instructional										
Support Services:										
Tuition	0	0	0	0	0	0	0	0	0	0
Student and instruction related services	12	14	12	12	12	12	12	12	111	137
School administrative services	68	65	68	68	68	68	68	68	37	38
General and business administrative services	45	45	45	45	45	45	45	45	14	13
Central Services	5	5	5	5	5	5	5	5	4	4
Administrative information technology	6	5	6	6	6	6	6	6	11	13
Plant operations and maintenance	68	69	51	44	39	34	32	31	42	41
Pupil transportation	7	5	5	3	5	5	5	5	18	23
Special Schools									21	11
Food Service										
Child Care										
<b>Total</b>	<b>571</b>	<b>571</b>	<b>568</b>	<b>585</b>	<b>601</b>	<b>633</b>	<b>672</b>	<b>674</b>	<b>697</b>	<b>757</b>

Source: District Personnel Records

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

Operating Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2010	4,750.1	\$ 85,750,203	\$ 18,052	3.24%	499	16.8	12.1	14.3	4750.1	4,551.9	-0.80%	95.83%
2011	4,725.6	80,467,860	17,028	-5.67%	488	16.6	12.1	15.0	4725.6	4,504.1	-0.52%	95.31%
2012	4,595.0	85,289,381	18,561	2.82%	504	16.3	11.6	14.4	4595.0	4,404.8	-3.27%	95.86%
2013	4,649.0	89,532,034	19,258	13.10%	518	15.4	11.8	13.7	4649.0	4,455.4	-1.62%	95.84%
2014	4,677.0	89,966,442	19,238	3.63%	522	19.6	10.2	13.3	4677.0	4,481.0	1.78%	95.81%
2015	4,717.4	92,717,324	19,654	2.06%	509	19.7	9.3	13.1	4717.4	4,540.9	1.47%	96.26%
2016	4,777.2	91,561,139	19,166	-0.36%	499	12.3	9.4	11.8	4777.2	4,593.4	2.14%	96.15%
2017	4,875.0	95,270,164	19,543	-0.57%	501	11.6	11.3	13.2	4875.0	4,666.7	3.34%	95.73%
2018	5,009.5	103,709,032	20,702	8.01%	478	12.7	13.1	16.6	4941.5	4,732.7	3.44%	95.77%
2019	5,118.5	109,738,429	21,440	9.71%	567	10.4	10.2	13.1	5085.5	4,687.4	4.32%	96.10%

Source: District records

Note: Enrollment based on annual October district count.

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN

School Building Information  
Last Nine Fiscal Years  
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>District Building</b>										
<b>Elementary</b>										
Henry B. Mines (1951)										
Square Feet	42,907	42,907	42,907	42,907	42,907	42,907	47,880	47,880	47,880	47,880
Capacity (students)	395	395	395	395	395	395	395	395	395	395
Enrollment	389	385	382	393	417	428	453	501	477	500
John A. Forrest (1924)										
Square Feet	40,013	40,013	40,013	40,013	40,013	40,013	46,400	46,400	46,400	46,400
Capacity (students)	286	286	286	286	286	286	286	286	286	286
Enrollment *	288	289	280	284	298	277	270	292	288	286
Lyncroft (1952)										
Square Feet	24,793	24,793	24,793	24,793	24,793	24,793	27,937	27,937	27,937	27,937
Capacity (students)	234	234	234	234	234	234	234	234	234	234
Enrollment	218	228	221	219	225	231	233	232	251	261
Radburn (1930)										
Square Feet	46,806	46,806	46,806	46,806	46,806	46,806	51,740	51,740	51,740	51,740
Capacity (students)	351	351	351	351	351	351	351	351	351	351
Enrollment	330	345	359	365	435	448	457	480	457	455
Waren Point (1922)										
Square Feet	44,174	44,174	44,174	44,174	44,174	44,174	39,945	39,945	39,945	39,945
Capacity (students)	468	466	466	466	466	466	466	466	466	466
Enrollment	439	436	434	405	394	405	416	427	461	471
Westmoreland (1958)										
Square Feet	24,971	24,971	24,971	24,971	24,971	24,971	29,517	46,068	46,068	46,068
Capacity (students)	246	246	246	246	246	246	246	324	324	324
Enrollment	339	343	356	350	373	362	384	291	310	401
<b>Middle School</b>										
Thomas Jefferson Middle School (1953)										
Square Feet	103,958	103,958	103,958	103,958	103,958	103,958	94,139	94,139	94,139	94,139
Capacity (students)	662	662	662	662	662	662	662	662	662	662
Enrollment	734	699	680	634	640	661	680	707	724	737
Memorial Middle School (1956)										
Square Feet	78,323	78,323	78,323	78,323	78,323	78,323	94,560	94,560	94,560	94,560
Capacity (students)	466	466	466	466	466	466	466	466	466	466
Enrollment	442	434	483	443	450	483	485	464	426	457
<b>High School</b>										
Fair Lawn High School (1943)										
Square Feet	244,339	244,339	244,339	244,339	244,339	244,339	243,066	243,066	243,066	243,066
Capacity (students)	1,637	1,637	1,637	1,637	1,637	1,637	1,637	1,637	1,637	1,637
Enrollment	1,572	1,521	1,522	1,493	1,478	1,468	1,451	1,447	1,479	1,486
<b>Other</b>										
Edison School (1955)										
Square Feet	47,335	47,335	47,335	47,335	47,335	47,335	47,335	47,335	47,335	47,335
Capacity (students)	9	9	9	9	9	9	9	9	9	9
Enrollment							65	70	67	70

Number of Schools at June 30, 2019  
 Elementary = 6  
 Middle School = 2  
 Senior High School = 1  
 Other = 1

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of alterations and additions. Enrollment is based on the annual October district count.

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
  
General Fund  
Schedule of Required Maintenance for School Facilities  
Last Ten Fiscal Years  
Unaudited

Undistributed Expenditures--Required  
Maintenance for School Facilities  
11-000-261-xxx

*School Facility	Pending Projects (w/DOE Project #)	Gross Building Area (SF)	%	Ten Year Total	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Fair Lawn High School	SP1450-050-04-00EH SP1450-050-09-0KAA	243,066	32.80%	\$ 4,469,865	\$ 395,085	\$ 415,258	\$ 445,141	\$ 427,614	\$ 474,962	\$ 539,791	\$ 633,245	\$ 429,290	\$ 361,862	\$ 347,618
Thomas Jefferson Middle School	SP1450-060-04-00DI	94,139	12.74%	1,735,350	153,018	160,828	172,402	165,614	183,952	208,060	245,255	156,394	153,960	134,869
Memorial Middle School	SP1450-070-04-00DM SP1450-070-09-0KAB	94,560	12.79%	1,704,455	153,700	161,548	173,173	166,355	184,774	206,995	246,352	157,093	115,995	135,470
Henry B. Milnes	SP1450-080-04-00DL	47,880	6.48%	871,367	77,825	81,799	87,685	84,233	93,560	106,330	124,739	83,252	63,545	68,399
John A. Forrest	SP1450-085-04-00DJ	46,400	6.28%	838,517	75,420	79,270	84,975	81,629	90,668	103,043	120,883	77,085	59,259	66,285
Lyncrest	SP1450-100-04-00DH	27,837	3.78%	505,901	45,409	47,728	51,163	49,148	54,590	62,041	72,783	46,412	36,718	39,909
Radburn	SP1450-110-04-00EI	51,740	7.00%	944,381	84,099	88,393	94,754	91,024	101,102	114,902	134,795	82,079	69,319	73,913
Edison School	SP1450-130-09-0KAC	47,335	6.40%	865,062	76,536	80,868	86,687	83,274	82,495	105,120	123,319	78,639	70,102	67,620
Warren Point	SP1450-140-04-00EJ	39,945	5.40%	736,272	64,828	68,243	73,154	70,273	78,054	88,708	104,066	66,361	65,421	57,064
Westmoreland	SP1450-160-04-00DK SP1450-160-09-0KAD	46,068	6.23%	587,880	74,880	78,703	54,056	51,828	57,678	65,550	76,999	49,037	36,982	42,167
<b>District Total</b>		<b>739,070</b>	<b>100%</b>	<b>\$ 13,259,052</b>	<b>\$ 1,201,303</b>	<b>\$ 1,262,638</b>	<b>\$ 1,323,191</b>	<b>\$ 1,271,093</b>	<b>\$ 1,411,835</b>	<b>\$ 1,604,540</b>	<b>\$ 1,882,335</b>	<b>\$ 1,235,640</b>	<b>\$ 1,033,163</b>	<b>\$ 1,033,314</b>

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

Source: District records


**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**

**Insurance Schedule  
As of June 30, 2019  
Unaudited**

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Alliance Insurance Fund:		
Package Policy:		
Blanket Real and Personal Property	\$ 179,237,152	\$ 5,000
Extra Expense	1,000,000	
Earthquake	10,000,000	
Flood	10,000,000	
Commercial Liability		
Bodily Injury Each Occurance	1,000,000	
Fire Legal Liability	1,000,000	
Sexual Misconduct	1,000,000/3,000,000	
Medical Expense	10,000/per person	
Employee Benefits Liability	1,000,000/3,000,000	
Crime Coverage:		
Depositors Forgery	100,000	
Employee Dishonesty	500,000	
Money and Securities	25,000	
Automobile	1,000,000	
School Board Legal Liability	1,000,000/3,000,000	7,500
Primary Umbrella Liability	10,000,000	
Enviornmental Liability	1,000,000	10,000
Group Aggregate		
Firemen's Fund:		
Catastrophe Umbrella Liability	50,000,000	
Educational Risk Insurance Consortium - North (N.J. School Boards Association Insurance Group):		
Workers Compensation	2,000,000	
Bollinger Insurance Company:		
Student Accident Insurance	5,000,000	
Surety Bonds:		
Board Secretary/Business Administrator	80,000	
Treasurer of School Moneys	500,000	
Flood:		
Memorial School Building / Contents	500,000	
Source: District records		

## **Single Audit Section**





***T. M. Vrabel & Associates, LLC***  
***Accountants and Auditors***

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***Timothy M. Vrabel, RMA, PSA***  
***Chris C. Hwang, CPA***



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Sheet 1

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Borough of Fair Lawn School District  
County of Bergen, New Jersey

We have audited, 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 prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Borough of Fair Lawn School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Borough of Fair Lawn School District's basic financial statements, and have issued our report thereon dated September 16, 2019.

**Internal Control Over Financial Reporting**

Management of the Borough of Fair Lawn School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Fair Lawn School District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstance 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 of Fair Lawn School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Fair Lawn School District's internal control over financial reporting.

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.

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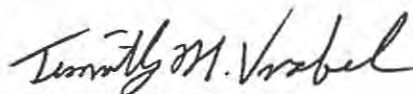
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

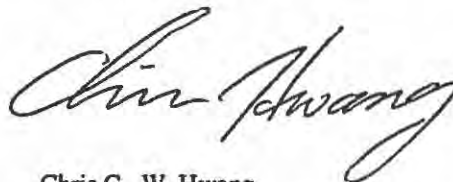
As part of obtaining reasonable assurance about whether the Borough of Fair Lawn School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

#### **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 Borough of Fair Lawn School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Fair Lawn School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Timothy M. Vrabel  
Public School Accountant  
License No. CS000698



Chris C. W. Hwang  
Certified Public Accountant  
License No. CC033704

Montville, New Jersey  
September 16, 2019

***T. M. Vrabel & Associates, LLC***  
***Accountants and Auditors***

***Timothy M. Vrabel, RMA, PSA***  
***Chris C. Hwang, CPA***

K-2  
Sheet 1

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; REPORT ON SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY TITLE 2 U.S. CODE OF FEDERAL REGULATIONS (CFR) PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS AND NEW JERSEY OMB CIRCULAR LETTER 15-08

INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Borough of Fair Lawn School District  
County of Bergen, New Jersey

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

We have audited the Borough of Fair Lawn School District's compliance with the types of compliance requirements described in U.S Office of Management and Budget (OMB) Compliance Supplement and the New Jersey Compliance Manual State Grants Compliance Supplement and the New Jersey Compliance Manual State Grants Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019. Borough of Fair Lawn School District's major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Borough of Fair Lawn School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and New Jersey Office of Management and Budget Circular Letter 15-08 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those

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standards, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB's Circular Letter 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Borough of Fair Lawn School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Borough of Fair Lawn School District's compliance with those requirements.

#### *Opinion on Each Major Federal and State program*

In our opinion, the Borough of Fair Lawn School District, in the County of Bergen, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

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

The management of Borough of Fair Lawn is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Borough of Fair Lawn School District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Fair Lawn School District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Fair Lawn School District's internal control over compliance.

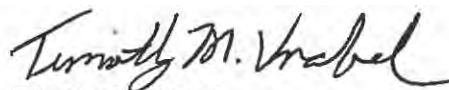
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards and State Financial Assistance Required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB Circular 15-08**

We have audited the financial statements of the Borough of Fair Lawn School District as of and for the year ended June 30, 2019, and have issued our report thereon dated September 16, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB Circular 15-08 and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Expenditure of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the financial statements as a whole.



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Montville, New Jersey  
September 16, 2019

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
Schedule of Expenditures of Federal Awards, Schedule A  
For the Fiscal Year Ended June 30, 2019

Federal Grant or Contract Number	Federal Agency Number	Grant Period	Award Amount	Balance July 1, 2018	Adjustments	BUDGETARY EXPENDITURES			Total	Payment of Prior Years' Balances	Accounts Receivable	Balance June 30, 2018	Due to Grantor
						Cash Received	Debitments	Accounts Payable					
93.778	1905NLSMAP	7/1/18-6/30/19	\$ 57,748.71	\$ -	\$ -	\$ 57,748.71	\$ -	\$ -	\$ -	\$ (9,827.19)	\$ -	\$ -	
Total U.S. Department of Treasury													
10.550		7/1/18-6/30/19	84,178.59	8,484.44		84,178.59	81,844.41	81,844.41				2,332.18	
10.550	191KJ304N1009	7/1/17-6/30/18	89,431.49	8,484.44		242,157.60	8,484.44	8,484.44					
10.555	191KJ304N1009	7/1/18-6/30/19	283,860.70	(15,030.53)		242,157.60	283,860.70	283,860.70		(21,703.10)			
10.555	191KJ304N1009	7/1/17-6/30/18	228,314.81	(6,536.09)		15,030.53							
Total U.S. Department of Agriculture													
U.S. Department of Agriculture Passed - Through State Department of Education:													
84.010	S010A190030	7/1/18-6/30/19	310,706.00			282,113.00	318,983.70	318,983.70			(48,850.70)		
84.010	S010A170030	7/1/17-6/30/18	380,223.00	2,235,512.54		235,512.54							
84.307A	S367A190029	7/1/18-6/30/19	78,947.00			56,487.00	63,540.26	63,540.26			(22,477.70)		
84.307A	S367A170029	7/1/17-6/30/18	2,783.00	(2,783.00)		2,783.00							
84.365	S365A190030	7/1/18-6/30/19	50,930.00			48,155.00	49,895.33	49,895.33			(1,830.33)		
84.365	S365A170030	7/1/17-6/30/18	48,130.00	(13,832.15)		13,832.15							
84.365	S365A190030	7/1/18-6/30/19	10,141.00			7,670.00	8,556.58	8,556.58			(1,000.58)		
84.365	S365A170030	7/1/17-6/30/18	9,454.00	(3,242.78)		3,242.78							
84.424	S424A190031	7/1/18-6/30/19	19,070.00			19,070.00	19,070.00	19,070.00					
84.424	S424A170031	7/1/17-6/30/18	10,000.00	(10,000.00)		10,000.00							
84.027	H027A190100	7/1/18-6/30/19	1,123,810.00			1,063,986.00	1,099,551.50	1,099,551.50			(6,182.50)		
84.027	H027A170100	7/1/17-6/30/18	1,102,028.00	(17,875.00)		17,875.00							
84.173	H173A190114	7/1/18-6/30/19	30,955.00			30,955.00	30,955.00	30,955.00					
Total U.S. Department of Education (Fund 20)													
Total Federal Financial Assistance													
						\$ 2,220,948.72	\$ 2,000,059.83	\$ 18,004.44	\$ -	\$ -	\$ (87,538.09)	\$ 2,232.18	\$ -

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

**BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN**  
Schedule of Expenditures of State Financial Assistance, Schedule E  
For the Fiscal Year Ended June 30, 2018

State Department/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2018	Adjustments	Cash Received	Disbursements	BUDGETARY EXPENDITURES		Total	Repayment of Prior Year's Balances	Accounts Receivable	Due to Other	Contingency Reserves	Commutative Total Expenditures
								Payable	Encumbrances						
<b>General Fund:</b>															
State Department of Education:															
Enrichment Aid	18-100-004-5120-076	7/1/18-6/30/18	\$ 682,387.00	\$ (38,947.88)	\$ 87,070.59	\$ 670,310.10	\$ 682,387.00	\$ -	\$ -	\$ 682,387.00	\$ -	\$ -	\$ -	\$ (68,003.25)	\$ 682,387.00
Enrichment Aid	18-100-004-5120-076	7/1/17-6/30/18	682,387.00	-	-	773,118.10	640,888.00	-	-	640,888.00	-	-	-	(87,779.80)	640,888.00
Categorical Transportation Aid	18-100-004-5120-014	7/1/18-6/30/18	842,886.00	112,824.78	-	4,012,123.80	4,383,870.00	-	-	4,383,870.00	-	-	-	(251,748.20)	4,383,870.00
Categorical Transportation Aid	18-100-004-5120-014	7/1/17-6/30/18	224,872.00	-	-	180,850.27	180,850.27	-	-	180,850.27	-	-	-	(27,403.05)	180,850.27
Categorical Special Education Aid	18-100-004-5120-088	7/1/18-6/30/18	2,818,186.00	(160,850.27)	-	428,837.25	464,041.00	-	-	464,041.00	-	-	-	(27,403.05)	464,041.00
Categorical Special Education Aid	18-100-004-5120-088	7/1/17-6/30/18	88,258.00	(15,879.57)	-	3,078.57	3,078.57	-	-	3,078.57	-	-	-	-	3,078.57
Categorical Special Education Aid	18-100-004-5120-088	7/1/17-6/30/18	88,258.00	(15,879.57)	-	3,078.57	3,078.57	-	-	3,078.57	-	-	-	-	3,078.57
PARCC Support Aid	18-100-004-5120-086	7/1/17-6/30/18	45,200.00	(2,988.10)	-	2,988.10	2,988.10	-	-	2,988.10	-	-	-	-	2,988.10
PARCC Support Aid	18-100-004-5120-086	7/1/17-6/30/18	45,200.00	(2,988.10)	-	2,988.10	2,988.10	-	-	2,988.10	-	-	-	-	2,988.10
Professional Learning Community Aid	18-100-004-5120-101	7/1/17-6/30/18	47,170.00	(24.03)	-	24.03	24.03	-	-	24.03	-	-	-	-	24.03
Professional Learning Community Aid	18-100-004-5120-101	7/1/17-6/30/18	47,170.00	(24.03)	-	24.03	24.03	-	-	24.03	-	-	-	-	24.03
Host Direct Support Aid	18-100-004-5120-102	7/1/17-6/30/18	1,868,048.00	(1,081,517.00)	-	1,081,517.00	1,868,048.00	-	-	1,868,048.00	-	-	-	-	1,868,048.00
Host Direct Support Aid	18-100-004-5120-102	7/1/17-6/30/18	1,868,048.00	(1,081,517.00)	-	1,081,517.00	1,868,048.00	-	-	1,868,048.00	-	-	-	-	1,868,048.00
Extraordinary Aid	18-100-004-5120-044	7/1/18-6/30/18	1,981,517.00	(97,487.00)	-	97,487.00	100,200.00	-	-	100,200.00	-	-	-	-	100,200.00
Extraordinary Aid	18-100-004-5120-044	7/1/17-6/30/18	1,981,517.00	(97,487.00)	-	97,487.00	100,200.00	-	-	100,200.00	-	-	-	-	100,200.00
Non-Public Transportation Aid	18-100-004-5120-014	7/1/18-6/30/18	100,200.00	-	-	2,823.33	3,003,177.80	-	-	3,003,177.80	-	-	-	-	3,003,177.80
Non-Public Transportation Aid	18-100-004-5120-014	7/1/17-6/30/18	97,487.00	-	-	142,323.17	7,838,260.00	-	-	7,838,260.00	-	-	-	-	7,838,260.00
Reimbursed TPAF Social Security Contributions	18-100-004-5094-003	7/1/18-6/30/18	3,463,785.00	(142,333.17)	-	3,463,785.00	3,463,785.00	-	-	3,463,785.00	-	-	-	-	3,463,785.00
Reimbursed TPAF Social Security Contributions	18-100-004-5094-003	7/1/17-6/30/18	2,835,260.00	-	-	7,838,260.00	7,838,260.00	-	-	7,838,260.00	-	-	-	-	7,838,260.00
On-School TPAF PRRM Contributions	18-100-004-5094-002	7/1/18-6/30/18	7,838,260.00	-	-	7,838,260.00	7,838,260.00	-	-	7,838,260.00	-	-	-	-	7,838,260.00
On-School TPAF PRRM Contributions	18-100-004-5094-002	7/1/17-6/30/18	3,463,785.00	-	-	7,838,260.00	7,838,260.00	-	-	7,838,260.00	-	-	-	-	7,838,260.00
On-School TPAF LTD Contributions	18-100-004-5094-004	7/1/18-6/30/18	7,838.00	-	-	21,871,855.54	22,431,318.00	-	-	22,431,318.00	-	-	-	(811,833.00)	22,431,318.00
On-School TPAF LTD Contributions	18-100-004-5094-004	7/1/17-6/30/18	7,838.00	-	-	21,871,855.54	22,431,318.00	-	-	22,431,318.00	-	-	-	-	22,431,318.00
Total General Fund			7,838.00	(2,127,542.17)	57,070.59	21,871,855.54	22,431,318.00	-	-	22,431,318.00	-	-	-	-	22,431,318.00
<b>Special Revenue Funds:</b>															
New Jersey Nongrabic Act	18-100-004-5120-084	7/1/18-6/30/18	8,010.00	-	-	8,010.00	7,989.85	-	-	7,989.85	-	-	10.05	-	7,989.85
Technical Aid	18-100-004-5120-084	7/1/18-6/30/18	8,010.00	-	-	8,010.00	7,989.85	-	-	7,989.85	-	-	10.05	-	7,989.85
Auxiliary Services	18-100-004-5120-087	7/1/18-6/30/18	67,818.00	-	-	67,818.00	81,433.88	-	-	81,433.88	-	-	8,324.33	-	81,433.88
Auxiliary Services	18-100-004-5120-087	7/1/18-6/30/18	67,818.00	-	-	67,818.00	81,433.88	-	-	81,433.88	-	-	8,324.33	-	81,433.88
Commuter Education	18-100-004-5120-087	7/1/18-6/30/18	104,520.00	21,578.15	(27,578.15)	5,178.00	2,888.97	-	-	2,888.97	-	-	2,277.03	-	2,888.97
Commuter Education	18-100-004-5120-087	7/1/18-6/30/18	104,520.00	21,578.15	(27,578.15)	5,178.00	2,888.97	-	-	2,888.97	-	-	2,277.03	-	2,888.97
English as a Second Language	18-100-004-5120-087	7/1/18-6/30/18	3,784.00	1,570.72	(1,570.72)	-	-	-	-	-	-	-	-	-	-
English as a Second Language	18-100-004-5120-087	7/1/17-6/30/18	3,784.00	1,570.72	(1,570.72)	-	-	-	-	-	-	-	-	-	-
Handicapped Services:															
Evaluation and Classification	18-100-004-5120-088	7/1/18-6/30/18	27,845.00	-	-	27,845.00	24,822.58	-	-	24,822.58	-	-	2,822.42	-	24,822.58
Evaluation and Classification	18-100-004-5120-088	7/1/17-6/30/18	37,483.00	19,811.20	(13,811.20)	6,026.00	6,248.00	-	-	6,248.00	-	-	2,878.40	-	6,248.00
Civics	18-100-004-5120-088	7/1/18-6/30/18	11,622.00	-	-	11,622.00	10,558.14	-	-	10,558.14	-	-	-	-	10,558.14
Civics	18-100-004-5120-088	7/1/17-6/30/18	23,780.00	7,208.53	(7,208.53)	23,780.00	18,558.14	-	-	18,558.14	-	-	-	-	18,558.14
Supplementary Instruction	18-100-004-5120-088	7/1/18-6/30/18	29,340.00	7,101.98	(7,101.98)	14,500.00	14,444.43	-	-	14,444.43	-	-	103.57	-	14,444.43
Supplementary Instruction	18-100-004-5120-088	7/1/17-6/30/18	14,500.00	-	-	5,400.00	5,400.00	-	-	5,400.00	-	-	-	-	5,400.00
Nursing Services	18-100-004-5120-373	7/1/18-6/30/18	22,500.00	-	-	22,500.00	22,468.88	-	-	22,468.88	-	-	1.01	-	22,468.88
Nursing Services	18-100-004-5120-373	7/1/17-6/30/18	22,500.00	-	-	209,018.00	184,484.31	-	-	184,484.31	-	-	19,551.06	-	184,484.31
Security Aid															
Security Aid															
Total Special Revenue Funds			38,735.00	(87,070.59)	469,337.83	103,300.73	38,735.00	-	-	38,735.00	-	-	-	-	38,735.00
<b>Capital Project Fund:</b>															
N.J. Schools Development Authority Grant	SP 1450-140-14-G102	7/1/18-6/30/18	601,408.00	(284,897.12)	267,501.81	27,195.31	-	-	-	-	-	-	-	-	601,408.00
N.J. Schools Development Authority Grant	SP 1450-140-14-G102	7/1/18-6/30/18	601,408.00	(284,897.12)	267,501.81	27,195.31	-	-	-	-	-	-	-	-	601,408.00
N.J. Schools Development Authority Grant	SP 1450-140-14-G102	7/1/17-6/30/18	370,080.00	(87,424.53)	47,024.53	-	-	-	-	-	-	-	-	-	370,080.00
N.J. Schools Development Authority Grant	SP 1450-140-14-G102	7/1/17-6/30/18	370,080.00	(87,424.53)	47,024.53	-	-	-	-	-	-	-	-	-	370,080.00
N.J. Schools Development Authority Grant	SP 1450-140-14-G102	7/1/18-6/30/18	203,640.00	(18,888.72)	18,888.72	-	-	-	-	-	-	-	-	-	203,640.00
N.J. Schools Development Authority Grant	SP 1450-140-14-G102	7/1/17-6/30/18	271,311.00	(43,490.45)	43,490.45	-	-	-	-	-	-	-	-	-	271,311.00
N.J. Schools Development Authority Grant	SP 1450-140-14-G102	7/1/18-6/30/18	246,720.00	(50,199.84)	50,199.84	-	-	-	-	-	-	-	-	-	246,720.00
N.J. Schools Development Authority Grant	SP 1450-140-14-G102	7/1/17-6/30/18	237,855.00	(31,474.48)	31,474.48	-	-	-	-	-	-	-	-	-	237,855.00
N.J. Schools Development Authority Grant	SP 1450-140-14-G102	7/1/18-6/30/18	232,400.00	(168,828.12)	168,828.12	-	-	-	-	-	-	-	-	-	232,400.00
N.J. Schools Development Authority Grant	SP 1450-140-14-G102	7/1/17-6/30/18	348,088.00	(115,878.08)	115,878.08	-	-	-	-	-	-	-	-	-	348,088.00
N.J. Schools Development Authority Grant	SP 1450-140-14-G102	7/1/18-6/30/18	325,080.00	(42,502.64)	42,502.64	-	-	-	-	-	-	-	-	-	325,080.00
N.J. Schools Development Authority Grant	SP 1450-140-14-G102	7/1/17-6/30/18	140,180.00	(87,185.28)	87,185.28	-	-	-	-	-	-	-	-	-	140,180.00
Total Capital Project Fund			38,735.00	(87,070.59)	469,337.83	103,300.73	38,735.00	-	-	38,735.00	-	-	-	-	38,735.00
<b>Debt Service Fund:</b>															
Debt Service Aid - State Support	19-100-004-5120-125	7/1/18-6/30/18	38,735.00	-	-	38,735.00	38,735.00	-	-	38,735.00	-	-	-	-	38,735.00
Debt Service Aid - State Support	19-100-004-5120-125	7/1/18-6/30/18	38,735.00	-	-	38,735.00	38,735.00	-	-	38,735.00	-	-	-	-	38,735.00
Total Debt Service Funds			38,735.00	-	-	38,735.00	38,735.00	-	-	38,735.00	-	-	-	-	38,735.00
<b>Enterprise Fund:</b>															
State School Lunch Program	18-100-010-3350-023	7/1/18-6/30/18	13,908.44	(888.09)	-	12,796.19	13,908.44	-	-	13,908.44	-				

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2019

Note 1: General

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state programs of the Borough of Fair Lawn School District Board of Education. The Board of Education is defined in Note I:B. to the Board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes I:E and Note I:F. to the Board's basic financial statements. The information in the schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Board has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3: Relationship to Basic Financial Statements

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

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



BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2019  
(CONCLUDED)

Note 3: Relationship to Basic Financial Statements (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(285,708.00) for the general fund and \$-0- for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 57,746.71	\$ 22,145,610.60	\$ 22,203,357.31
Special Revenue Fund	1,613,626.81	184,464.34	1,798,091.15
Debt Service Fund	-	38,735.00	38,735.00
Food Service Fund	<u>348,037.29</u>	<u>13,906.44</u>	<u>361,943.73</u>
Total Awards and Financial Assistance	<u>\$ 2,019,410.81</u>	<u>\$ 22,382,716.38</u>	<u>\$ 24,402,127.19</u>

Note 4: Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amounts reported as On-Behalf TPAF Contributions represents the amount paid by the state on behalf of the district for post-retirement medical benefits and the normal and accrued liability pension costs for the year ended June 30, 2019. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2019.

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019

Part I – Summary of Auditor’s Results

Financial Statement Section

- A) Type of auditor’s report issued: Unmodified
- B) Internal Control over financial reporting:
- 1) Material weakness(es) identified?       yes   X  no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses?       yes   X  none reported
- C) Noncompliance material to basic financial statements noted?       yes   X  no

Federal Awards Section

- D) Dollar threshold used to determine Type A programs \$   750,000.00
- E) Auditee qualified as low-risk auditee?   X  yes       no
- F) Type of auditor’s report on compliance for major programs Unmodified
- G) Internal Control over compliance:
- 1) Material weakness(es) identified?       yes   X  no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses?       yes   X  none reported
- H) Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards       yes   X  no

I) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	I.D.E.A Part B. Basic
84.173	I.D.E.A. Part B Preschool

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019

Part I – Summary of Auditor’s Results (Continued)

State Financial Assistance Section

- J) Dollar threshold used to determine Type A Programs \$ 750,000.00
- K) Auditee qualified as low-risk auditee? X yes      no
- L) Type of auditor’s report on compliance for major programs. Unmodified
- M) Internal Control over compliance:
- 1) Material weakness(es) identified?      yes   X   no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses?      yes   X   none reported
- N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?      yes   X   no

O) Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
19-495-034-5120-078	Equalization Aid
19-495-034-5120-089	Categorical Special Education Aid
19-495-034-5120-084	Categorical Security Aid
19-495-034-5120-097	Per Pupil Growth Aid
19-495-034-5120-014	Transportation Aid
19-495-034-5120-044	Extraordinary Aid
19-495-034-5094-003	Reimbursed TPAF Social Security Contribution

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of Government Auditing Standards.

Not Applicable

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)

Part 3 – Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB's Circular 15-08.

Not Applicable

BOARD OF EDUCATION  
BOROUGH OF FAIR LAWN  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019

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

Not Applicable