

FAIR LAWN PUBLIC SCHOOLS

**Fair Lawn Public Schools
Fair Lawn, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2021**

**Comprehensive Annual
Financial Report**

of the

Fair Lawn Public Schools

Fair Lawn, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Fair Lawn Public Schools

FAIR LAWN PUBLIC SCHOOLS
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INTRODUCTORY SECTION
(UNAUDITED)

Fair Lawn Public Schools

37-01 Fair Lawn Avenue
Fair Lawn, New Jersey 07410
Tel: (201)794-5500

November 23, 2021

Honorable President and Members
of the Board of Education
Fair Lawn Public Schools
County of Bergen, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Fair Lawn Public Schools (the "District") for the fiscal year ended June 30, 2021, 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 (the "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 the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Fair Lawn Public Schools is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Fair Lawn Public Schools 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 handicapped youngsters. The District completed the 2020-2021 fiscal year with an average daily enrollment of 5,242 students, a small decrease from the previous year.

2) ECONOMIC CONDITION AND OUTLOOK:

Fair Lawn Borough is located in Bergen County, New Jersey, in the northeast corner of the State. As of July 1, 2019 the U.S. Census Bureau estimated the population to be 32,896, 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., 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 8 years and demographic projections through the next 2 years expect the increases to continue.

The majority of Fair Lawn residents occupy single family dwellings. Fair Lawn's owner-occupancy rate is 80% compared with Bergen County's overall owner-occupancy rate of 64%. Housing is well maintained in all areas of the Borough.

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

3) MAJOR INITIATIVES: (Cont'd)

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. Fair Lawn High School offers 25 advanced placement courses as well as 43 honors courses. In Spring 2020, 272 students took 668 exams in 29 different subjects scoring 3 or higher on 576 of those exams.

Fair Lawn High School had 13 Class of 2020 Seniors recognized for outstanding achievement in the 2020 National Merit Scholarship Program. Eighty-five percent of our 2020 graduates went on to higher education.

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. This program is continuing for the 2020-21 school year.

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.

In January 2020 all 9th and 10th grade students received district owned laptop computers as the district embarked on its one-to-one district-wide computer initiative. The Covid-19 pandemic has accelerated the timing of the district wide rollout of this initiative. Throughout the spring and summer of 2020 district owned laptops or Chromebooks were provided to all students who needed one for Distance Learning implemented during the statewide school closures that began in March 2020. Distance Learning for all students is expected to continue into the 2020-21 school year at least into October. The goals for the 2020-2021 school year include developing an enhanced Distance Learning 2.0 Plan. The plan will ensure a robust and quality Distance Learning Model 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. Construction has been completed and the new middle school additions will be occupied when students return to in-person learning. Another 2020-21 District Goal is to provide support to teachers/staff to effectively implement instruction to the new middle school schedule, which includes modifications for the transition of the 5th grade to the new middle school 5-8 model.

Other District Goals for the 2020-21 school year are:

1. By June 2021, in an effort to foster and enhance an inclusive and culturally aware educational community, the District will provide support and train district staff to identify components of an equitable school system with an ultimate goal of developing more equitable practices.
2. All District schools will become a Future Ready School by successfully completing Bronze level status to ensure our students and schools are ready for the 21st century (continuation goal).
3. Support the mental health and social-emotional learning and well-being of staff and students by providing programs that foster a sense of community, acceptance, and encourage mindful practices, particularly during and after the COVID-19 pandemic.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2021.

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements," Note 3. 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.

8) RISK MANAGEMENT:

The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board is a member of the School Alliance Insurance Fund (“SAIF”). SAIF is a risk-sharing public entity risk management pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members. A schedule of insurance coverage is found on Exhibit J-20.

9) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors’ Report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The Auditors’ Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Fair Lawn Public Schools 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. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

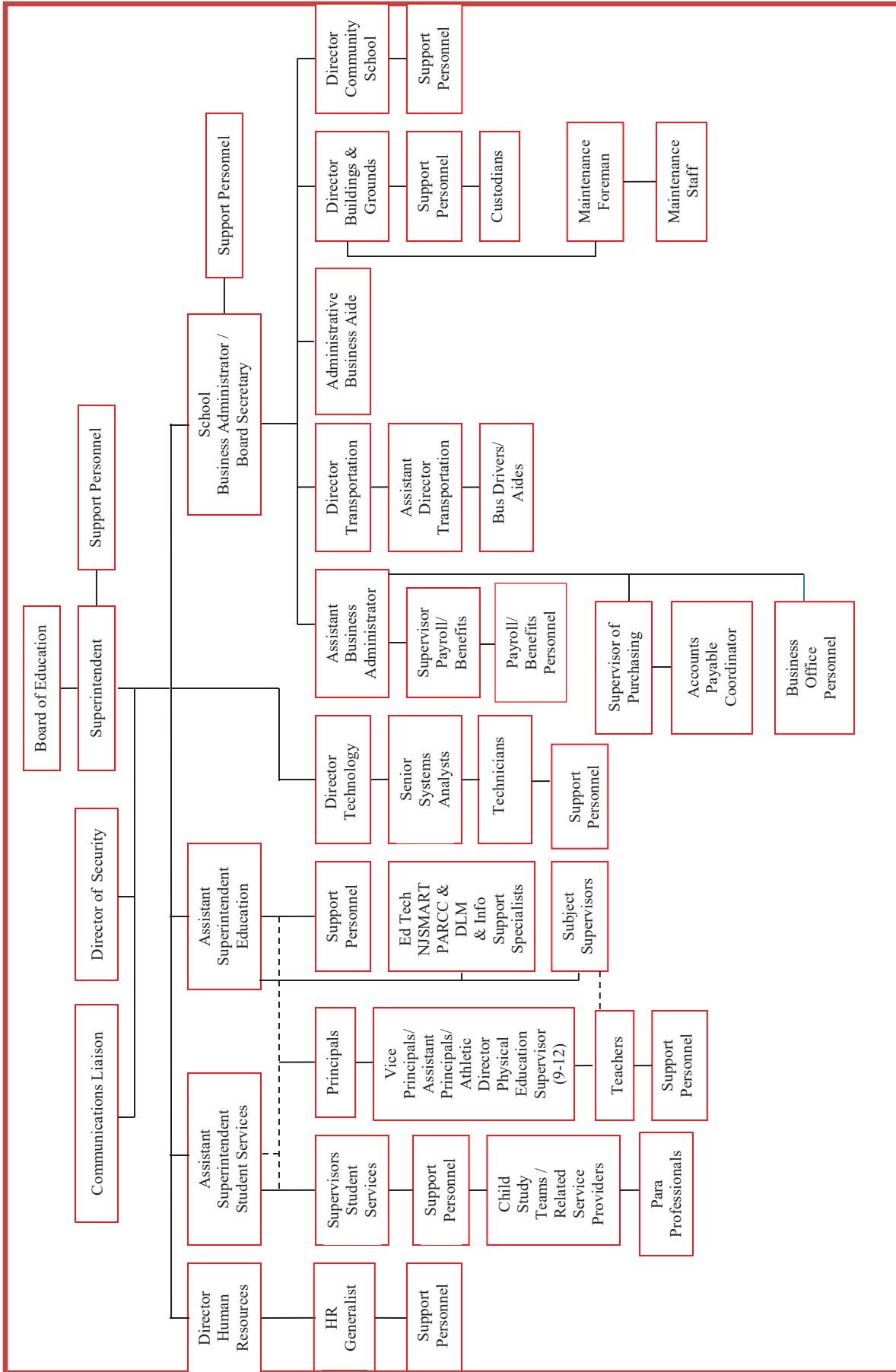


Nicholas Norcia
Superintendent of Schools



John Serapiglia Jr.
School Business Administrator/Board Secretary

FAIR LAWN PUBLIC SCHOOLS ORGANIZATION CHART



**FAIR LAWN PUBLIC SCHOOLS
ROSTER OF OFFICIALS
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Eugene Banta, President	12/31/2021
Michael Rosenberg, Vice-President	12/31/2022
Ronald Barbarulo, Member	12/31/2023
Rita Fayvelevich, Member	12/31/2023
Julie Mahan, Member	12/31/2023
Vladimir Itkin, Member	12/31/2022
Cindy Jo Quackenbush, Member	12/31/2022
Wilkin Santana, Member	12/31/2021
Mark Spindel, Member	12/31/2021

<u>Other Officers</u>	<u>Title</u>
Nicholas Norcia	Superintendent of Schools
John Serapiglia Jr.	School Business Administrator/Board Secretary (from September 29, 2021)
Patricia Ratcliffe-Lee	Acting School Business Administrator/Board Secretary (August 30, 2021 through September 28, 2021)
Brooke Bartley	School Business Administrator/Board Secretary (through August 27, 2021)
Karen Palermo	Treasurer of School Monies
Paul Green, Esq.	School Board Attorney
Nathanya G. Simon, Esq.	School Board Attorney

FAIR LAWN PUBLIC SCHOOLS

Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, NJ 07856-1320

Attorneys

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220 Park Avenue
P.O. Box 991
Florham Park, NJ 07932-0991

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

Architects/Engineers

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

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

Financial Advisors

Phoenix Advisors, LLC
625 Farnsworth Ave|
Bordentown, NJ 08505

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 07470

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

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Fair Lawn Public Schools
County of Bergen, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Fair Lawn Public Schools (the "District") in the County of Bergen, as of and for the fiscal year ended June 30, 2021, 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 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.

Auditors' 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 audit requirements as 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 of the Board of Education of the Fair Lawn Public Schools, in the County of Bergen, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

The financial statements of the District as of June 30, 2020 were audited by other auditors whose report dated September 30, 2020 expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and postemployment benefits schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 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 District’s basic financial statements. The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical section are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic

The Honorable President and Members
of the Board of Education
Fair Lawn Public Schools
Page 3

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 other supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures 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 November 23, 2021 on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

November 23, 2021
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Fair Lawn Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

This section of Fair Lawn Public Schools's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

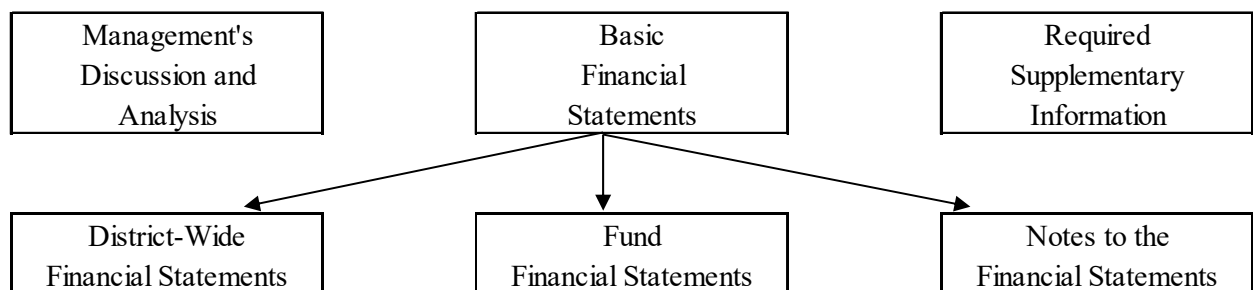
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the School District's Financial Report



Fair Lawn Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

Fair Lawn Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, tuition and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service and after care programs are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

Fair Lawn Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Notes to Basic Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by \$11,004,321. Net position from governmental activities increased by \$10,378,525 and net position from business-type activities increased by \$625,796. Net investment in capital assets increased by \$8,089,072, restricted net position increased by \$7,235,560, and unrestricted net position decreased by \$4,320,311.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage
	2020/21	2019/20*	2020/21	2019/20*	2020/21	2019/20*	Change 2020/21
Current and							
Other Assets	\$ 41,481,321	\$ 38,352,472	\$ 2,028,090	\$ 216,914	\$ 43,509,411	\$ 38,569,386	
Capital Assets, Net	68,983,837	63,713,518	396,445	358,185	69,380,282	64,071,703	
Total Assets	<u>110,465,158</u>	<u>102,065,990</u>	<u>2,424,535</u>	<u>575,099</u>	<u>112,889,693</u>	<u>102,641,089</u>	9.98%
Deferred Outflows of Resources	<u>3,451,762</u>	<u>4,159,506</u>			<u>3,451,762</u>	<u>4,159,506</u>	-17.02%
Other Liabilities	4,258,463	1,203,461	1,284,778	61,138	5,543,241	1,264,599	
Long-Term Liabilities							
Outstanding	<u>64,675,756</u>	<u>70,237,840</u>			<u>64,675,756</u>	<u>70,237,840</u>	
Total Liabilities	<u>68,934,219</u>	<u>71,441,301</u>	<u>1,284,778</u>	<u>61,138</u>	<u>70,218,997</u>	<u>71,502,439</u>	-1.79%
Deferred Inflows of Resources	<u>11,443,759</u>	<u>11,623,778</u>			<u>11,443,759</u>	<u>11,623,778</u>	-1.55%
Net Position:							
Net Investment in							
Capital Assets	26,301,837	18,251,025	396,445	358,185	26,698,282	18,609,210	
Restricted	26,188,794	18,953,234			26,188,794	18,953,234	
Unrestricted/(Deficit)	<u>(18,951,689)</u>	<u>(14,043,842)</u>	<u>743,312</u>	<u>155,776</u>	<u>(18,208,377)</u>	<u>(13,888,066)</u>	
Total Net Position	<u>\$ 33,538,942</u>	<u>\$ 23,160,417</u>	<u>\$ 1,139,757</u>	<u>\$ 513,961</u>	<u>\$ 34,678,699</u>	<u>\$ 23,674,378</u>	46.48%

* Restated

Changes in Net Position. The District's combined net position was \$34,678,699 on June 30, 2021, an increase of \$11,004,321 or 46.48% more than the year before. (See Figure A-3). Net Investment in Capital Assets increased due to current year depreciation expense of \$1,738,367; offset by current year capital assets additions (net of deletions net of accumulated depreciation) of \$7,046,946, maturity of \$550,493 in capital lease payable and maturity of \$2,230,000 in serial bonds payable. Restricted net position increased mainly due to increases in the Capital Reserve, Maintenance Reserve, Emergency Reserve, Unemployment Compensation and Debt Service offset by decreases in Scholarships, Student Activities, and the Capital Projects Fund. The increase in unrestricted net position is due primarily to the changes in deferred outflows and deferred inflows related to pensions and net pension liability and the allowable increase in maximum unassigned fund balance.

Fair Lawn Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities 2020/21	Business- Type Activities 2020/21	Governmental Activities 2019/20	Business- Type Activities 2019/20	Total School District 2020/21	Total School District 2019/20	Percentage Change 2020/21
Revenue:							
Program Revenue:							
Charges for Services	\$ 637,560	\$ 12,603	\$ 3,285,167	\$ 685,145	\$ 650,163	\$ 3,970,312	
Operating Grants and Contributions	33,517,526	4,472,777	33,525,537	408,263	37,990,303	33,933,800	
General Revenue:							
Property Taxes	95,524,810		92,004,997		95,524,810	92,004,997	
Unrestricted State and Federal Aid	2,788,269		1,872,513		2,788,269	1,872,513	
Other	682,974	1,298	1,253,432	2,351	684,272	1,255,783	
Total Revenue	133,151,139	4,486,678	131,941,646	1,095,759	137,637,817	133,037,405	3.46%
Expenses:							
Instruction	76,109,476		69,163,379		76,109,476	69,163,379	
Pupil and Instruction Services	21,333,619		22,923,316		21,333,619	22,923,316	
Administrative and Business	11,467,259		12,687,663		11,467,259	12,687,663	
Maintenance and Operations	8,056,730		10,377,335		8,056,730	10,377,335	
Transportation	3,424,197		3,561,612		3,424,197	3,561,612	
Other	2,301,344	3,940,871	4,146,910	1,081,748	6,242,215	5,228,658	
Total Expenses	122,692,625	3,940,871	122,860,215	1,081,748	126,633,496	123,941,963	2.17%
Transfers:							
Capital Contribution	(79,989)	79,989					
Increase/(Decrease) in Net Position							
	\$ 10,378,525	\$ 625,796	\$ 9,081,431	\$ 14,011	\$ 11,004,321	\$ 9,095,442	20.99%

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. However, maintaining existing programs and enrollment and the provision of special programs and services for disabled pupils, combined with rising salary and benefit costs, school security, out of district tuitions, state mandates on testing and energy costs place great demands on the District's resources.

Careful management of expenses and increases in revenues remains essential for the District to sustain its financial health.

It is crucial that the District examine its expenses carefully. Staff, parental and student demands for salary increases, activities, small class sizes and programs must be evaluated thoroughly. Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

**Fair Lawn Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-5

	Net Cost of Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2020/21</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2019/20</u>
Instruction	\$ 76,109,476	\$ 46,411,623	\$ 69,163,379	\$ 49,055,294
Pupil and Instruction Services	21,333,619	19,714,926	22,923,316	15,390,923
Administrative and Business	11,467,259	9,693,330	12,687,663	9,845,365
Maintenance and Operations	8,056,730	8,056,730	10,377,335	9,272,020
Transportation	3,424,197	2,455,530	3,561,612	2,217,802
Other	2,301,344	2,205,400	4,146,910	268,106
	<u>\$ 122,692,625</u>	<u>\$ 88,537,539</u>	<u>\$ 122,860,215</u>	<u>\$ 86,049,510</u>

Business-Type Activities

Net position from the District's business-type activity increased by \$625,796 (Refer to Figure A-4). The increase in net position was primarily due to the District providing free meals to all students through the COVID-19 Seamless Summer Option program.

Financial Analysis of the District's Funds

The District's financial position increased on a fund basis due primarily to unexpended budget appropriations in the General Fund offset by capital projects expenditures.

To maintain a stable financial position, the District must continue to practice sound fiscal management, including efficiency/cost containment practices, evaluation of services and programs, energy conservation, and seeking additional sources of revenues.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were due to:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

**Fair Lawn Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

Capital Assets and Long-term Liabilities Administration

Figure A-6

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percentage Change 2020/21
	2020/21	2019/20*	2020/21	2019/20*	2020/21	2019/20*	
Sites and Site Improvements	\$ 3,473,909	\$ 3,511,536			\$ 3,473,909	\$ 3,511,536	
Construction in Progress	38,799,675	35,547,508			38,799,675	35,547,508	
Buildings and Building Improvements	23,277,268	22,562,274			23,277,268	22,562,274	
Machinery and Equipment	3,432,985	2,092,200	\$ 396,445	\$ 358,185	3,829,430	2,450,385	
Total	\$ 68,983,837	\$ 63,713,518	\$ 396,445	\$ 358,185	\$ 69,380,282	\$ 64,071,703	8.29%

* Restated

Long-term Liabilities

The District's long term liabilities decreased by \$5,562,084 or 7.92% from last year – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage Change 2020/21
	2020/21	2019/20	
General Obligation Bonds (Financed with Property Taxes)	\$ 42,682,000	\$ 44,912,000	
Net Pension Liability	21,232,538	23,963,856	
Compensated Absences Payable	761,218	811,491	
Capital Leases Payable		550,493	
	\$ 64,675,756	\$ 70,237,840	-7.92%

- The District continued to pay down its bonded debt, retiring \$2,230,000 of outstanding bonds.
- Compensated absences payable decreased by a net amount of \$50,273.
- Net pension liability decreased by \$2,731,318.
- The District retired the remaining balance \$550,493 of capital lease principal during the fiscal year.

Fair Lawn Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could significantly affect its financial health in the future:

- The COVID-19 pandemic has led to uncertainty in every facet of America, and in education it is no different. Additional funding from the State has led the District to be better prepared for Covid-related expenses for running a school as well as any potential pandemic-related closures. That said, the District must continue to be forward-thinking as it related to purchasing, preparing for both in-class instruction / protocols to be in place as it relates to the pandemic/preparation for the potential of remote instruction.
- The District has several projects within its Long Range Facility Plan that will need to be addressed within the upcoming years. The District must be cognizant of these needs, to ensure money is set aside to handle these renovations.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 37-01 Fair Lawn Avenue, Fair Lawn, New Jersey 07410.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

FAIR LAWN PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 12,419,818	\$ 612,852	\$ 13,032,670
Receivables from State Government	3,509,634	61,281	3,570,915
Receivables from Federal Government	135,946	1,334,028	1,469,974
Other Accounts Receivable	446,580	19,929	466,509
Restricted Cash and Cash Equivalents	24,969,343		24,969,343
Capital Assets, Net:			
Sites (Land) and Construction in Progress	40,459,298		40,459,298
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	28,524,539	396,445	28,920,984
Total Assets	<u>110,465,158</u>	<u>2,424,535</u>	<u>112,889,693</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	3,451,762		3,451,762
Total Deferred Outflows of Resources	<u>3,451,762</u>		<u>3,451,762</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	3,221,274	1,211,931	4,433,205
Accrued Interest Payable	499,925		499,925
Payable to State Government	18,753		18,753
Unearned Revenue	518,511	72,847	591,358
Noncurrent Liabilities:			
Due Within One Year	2,315,000		2,315,000
Due Beyond One Year	62,360,756		62,360,756
Total Liabilities	<u>68,934,219</u>	<u>1,284,778</u>	<u>70,218,997</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	11,443,759		11,443,759
Total Deferred Inflows of Resources	<u>11,443,759</u>		<u>11,443,759</u>
<u>NET POSITION/(DEFICIT)</u>			
Net Investment in Capital Assets	26,301,837	396,445	26,698,282
Restricted for:			
Capital Projects	19,941,196		19,941,196
Debt Service	534,865		534,865
Maintenance Reserve	3,890,353		3,890,353
Emergency Reserve	602,906		602,906
Unemployment Compensation	875,541		875,541
Scholarships	29,138		29,138
Student Activities	314,795		314,795
Unrestricted/(Deficit)	<u>(18,951,689)</u>	<u>743,312</u>	<u>(18,208,377)</u>
Total Net Position	<u>\$ 33,538,942</u>	<u>\$ 1,139,757</u>	<u>34,678,699</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

FAIR LAWN PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 55,677,358	\$ 11,000	\$ 16,976,490	\$ (38,689,868)	\$	\$ (38,689,868)
Special Education	14,674,477	302,730	11,195,947	(3,175,800)		(3,175,800)
Special/Other Instruction	5,757,641		1,211,686	(4,545,955)		(4,545,955)
Support Services:						
Tuition	6,587,564		1,262,876	(5,324,688)		(5,324,688)
Student and Instruction Related Services	14,746,055	227,886	127,931	(14,390,238)		(14,390,238)
School Administrative Services	6,878,733		1,605,432	(5,273,301)		(5,273,301)
General Administrative Services	1,283,887		168,497	(1,115,390)		(1,115,390)
Central Services	1,947,107			(1,947,107)		(1,947,107)
Administrative Information Technology	1,357,532			(1,357,532)		(1,357,532)
Plant Operations and Maintenance	8,056,730			(8,056,730)		(8,056,730)
Pupil Transportation	3,424,197		968,667	(2,455,530)		(2,455,530)
Special Schools	706,519	95,944		(610,575)		(610,575)
Transfer of Funds to Charter School	107,676			(107,676)		(107,676)
Interest on Long-Term Debt	1,487,149			(1,487,149)		(1,487,149)
Total Governmental Activities	122,692,625	637,560	33,517,526	(88,537,539)		(88,537,539)
Business-Type Activities:						
Food Service	3,940,871	12,603	4,472,777		\$ 544,509	544,509
Total Business-Type Activities	3,940,871	12,603	4,472,777		544,509	544,509
Total Primary Government	\$ 126,633,496	\$ 650,163	\$ 37,990,303	\$ (88,537,539)	\$ 544,509	\$ (87,993,030)

FAIR LAWN PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues and Transfers:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 92,788,775		\$ 92,788,775
Property Taxes, Levied for Debt Service Principal	2,736,035		2,736,035
Federal, State and Local Aid not Restricted	2,788,269		2,788,269
Investment Earnings	193,246	\$ 1,298	194,544
Miscellaneous Income	489,728		489,728
Transfers - Capital Contribution	(79,989)	79,989	
Total General Revenues and Transfers	98,916,064	81,287	98,997,351
Change in Net Position	10,378,525	625,796	11,004,321
Net Position - Beginning (As Restated)	23,160,417	513,961	23,674,378
Net Position - Ending	\$ 33,538,942	\$ 1,139,757	\$ 34,678,699

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

FAIR LAWN PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 11,200,367		\$ 1,183,019	\$ 36,432	\$ 12,419,818
Interfund Receivable	12,679			498,433	511,112
Receivables From State Government	3,347,917				3,347,917
Receivables From Federal Government		\$ 135,946			135,946
Receivables From Other Governments	161,717				161,717
Other Accounts Receivables	445,090	1,490			446,580
Restricted Cash and Cash Equivalents	24,625,410	343,933			24,969,343
Total Assets	\$ 39,793,180	\$ 481,369	\$ 1,183,019	\$ 534,865	\$ 41,992,433
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,489,033	\$ 81,641			\$ 1,570,674
Interfund Payable		12,679	\$ 498,433		511,112
Payable to State Government		18,753			18,753
Unearned Revenue	494,148	24,363			518,511
Total Liabilities	1,983,181	137,436	498,433		2,619,050
Fund Balances:					
Restricted:					
Capital Reserve Account	19,256,610				19,256,610
Maintenance Reserve Account	3,890,353				3,890,353
Emergency Reserve Account	602,906				602,906
Unemployment Compensation	875,541				875,541
Scholarships		29,138			29,138
Student Activities		314,795			314,795
Capital Projects			684,586		684,586
Debt Service				\$ 534,865	534,865
Assigned:					
Encumbrances	5,870,680				5,870,680
Designated for Subsequent Year's Expenditures	1,000,000				1,000,000
Unassigned	6,313,909				6,313,909
Total Fund Balances	37,809,999	343,933	684,586	534,865	39,373,383
Total Liabilities and Fund Balances	\$ 39,793,180	\$ 481,369	\$ 1,183,019	\$ 534,865	\$ 41,992,433

FAIR LAWN PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>Total Governmental Funds</u>
Amounts Reported for <i>Governmental Activities</i> in the Statement of Net Position (A-1) are Different Because:	
Total Fund Balances from previous page	\$ 39,373,383
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	68,983,837
Interest on Long-Term Debt is not Accrued in Governmental Funds, but Rather is Recognized as an Expenditure When Due.	(499,925)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(21,232,538)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	1,801,162
Deferred Inflows	(11,443,759)
Long-Term Liabilities, Including Bonds Payable and Capital Leases Payable, are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	<u>(43,443,218)</u>
Net Position of Governmental Activities	<u>\$ 33,538,942</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL
STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FAIR LAWN PUBLIC SCHOOLS
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 92,788,775			\$ 2,736,035	\$ 95,524,810
Tuition Charges	313,730				313,730
Interest Earned on Capital Reserve Funds	32,995				32,995
Interest Earned on Maintenance Reserve Funds	11,623				11,623
Interest Earned on Emergency Reserve Funds	2,906				2,906
Other Restricted Miscellaneous Revenues	357,069	\$ 278,363			635,432
Unrestricted Miscellaneous Revenue	314,489		\$ 11,198		325,687
Total - Local Sources	93,821,587	278,363	11,198	2,736,035	96,847,183
State Sources	29,638,964	42,763		263,875	29,945,602
Federal Sources	55,530	2,285,771			2,341,301
Total Revenues	123,516,081	2,606,897	11,198	2,999,910	129,134,086
EXPENDITURES:					
Current:					
Regular Instruction	31,173,469	1,272,904			32,446,373
Special Education Instruction	9,158,073	22,981			9,181,054
Other Instruction	3,579,431				3,579,431
Support Services and Undistributed Costs:					
Tuition	5,324,688	1,262,876			6,587,564
Student and Other Instruction Related Services	12,076,719	229,725			12,306,444
General Administrative Services	1,014,227				1,014,227
School Administrative Services	4,308,603				4,308,603
Central Services	1,612,770				1,612,770
Administrative Information Technology	1,214,761				1,214,761
Plant Operations and Maintenance	7,467,736				7,467,736
Student Transportation	3,540,604				3,540,604
Unallocated Benefits	32,627,744				32,627,744
Capital Outlay	3,658,828		3,252,167		6,910,995
Special Schools	706,519				706,519
Transfer of Funds to Charter School	107,676				107,676
Debt Service:					
Principal				2,230,000	2,230,000
Interest and Other Charges				1,513,865	1,513,865
Total Expenditures	117,571,848	2,788,486	3,252,167	3,743,865	127,356,366
Excess/(Deficit) of Revenue Over/(Under) Expenditures	5,944,233	(181,589)	(3,240,969)	(743,955)	1,777,720
Other Financing Sources/(Uses):					
Capital Contributions - Food Service Fund	(79,989)				(79,989)
Transfers in				848,498	848,498
Transfers out	(600,000)		(248,498)		(848,498)
Total Other Financing Sources/(Uses)	(679,989)		(248,498)	848,498	(79,989)
Net Change in Fund Balances	5,264,244	(181,589)	(3,489,467)	104,543	1,697,731
Fund Balance - July 1 (As Restated)	32,545,755	525,522	4,174,053	430,322	37,675,652
Fund Balance - June 30	\$ 37,809,999	\$ 343,933	\$ 684,586	\$ 534,865	\$ 39,373,383

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

FAIR LAWN PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 1,697,731

Amounts Reported for Governmental Activities in the Statement of Activities (A-2)
are Different Because:

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 differs from depreciation and deletions of capital assets, net of accumulated depreciation in the period.

Depreciation Expense	\$ (1,686,294)	
Deletion of Capital Assets, net of Accumulated Depreciation	(1,768)	
Capital Outlays	<u>6,958,381</u>	5,270,319

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. When accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+). 26,716

Leases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

Repayment of capital leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 550,493

Repayment of serial bonds is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 2,230,000

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	2,731,318	
Change in Deferred Outflows	(2,358,344)	
Change in Deferred Inflows	180,019	

In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). 50,273

Change in Net Position of Governmental Activities \$ 10,378,525

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

FAIR LAWN PUBLIC SCHOOLS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds
	Food Service
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 612,852
Intergovernmental Accounts Receivable:	
State	61,280
Federal	1,334,028
Other Accounts Receivable	19,930
Total Current Assets	2,028,090
Non-Current Assets:	
Capital Assets	860,186
Less: Accumulated Depreciation	(463,741)
Total Non-Current Assets	396,445
Total Assets	2,424,535
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	1,211,931
Unearned Revenue - Prepaid Sales	72,847
Total Current Liabilities	1,284,778
<u>NET POSITION:</u>	
Investment in Capital Assets	396,445
Unrestricted	743,312
Total Net Position	\$ 1,139,757

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

FAIR LAWN PUBLIC SCHOOLS
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 3,300
Special Events	5,986
Other Income	3,317
	<hr/>
Total Operating Revenue	12,603
	<hr/>
Operating Expenses:	
Purchased Services (Including Fixed Price Contract)	3,774,983
Other Purchased Services	26,018
Supplies, Insurance and Other Costs	2,660
Miscellaneous Expenses	85,137
Depreciation Expense	52,073
	<hr/>
Total Operating Expenses	3,940,871
	<hr/>
Operating Loss	(3,928,268)
	<hr/>
Non-Operating Revenue:	
Local Sources:	
Interest Income	1,298
State Sources:	
COVID-19 Seamless Summer Option	173,457
Federal Sources:	
COVID-19 Seamless Summer Option	4,230,710
Food Distribution Program	68,610
	<hr/>
Total Non-Operating Revenue	4,474,075
	<hr/>
Change in Net Position	545,807
	<hr/>
Transfer - Capital Contribution - General Fund	79,989
	<hr/>
Change in Net Position After Transfer - Capital Contribution	625,796
	<hr/>
Net Position - Beginning of Year (as Restated)	513,961
	<hr/>
Net Position - End of Year	\$ 1,139,757
	<hr/> <hr/>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

FAIR LAWN PUBLIC SCHOOLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u> <u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 30,706
Payments to Food Service Contractor	(2,494,570)
Payments for Suppliers	<u>(135,429)</u>
Net Cash Used for Operating Activities	<u>(2,599,293)</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	<u>(10,344)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(10,344)</u>
Cash Flows from Investing Activities:	
Interest Income	<u>1,298</u>
Net Cash Provided by Investing Activities	<u>1,298</u>
Cash Flows from Noncapital Financing Activities:	
State Sources Collected in Food Service Fund	113,321
Federal Sources Collected in Food Service Fund	<u>2,969,076</u>
Net Cash Provided by Noncapital Financing Activities	<u>3,082,397</u>
Net Increase in Cash and Cash Equivalents	474,058
Cash and Cash Equivalents, July 1	<u>138,794</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 612,852</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	\$ (3,928,268)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	52,073
Food Distribution Program	68,610
Changes in Assets and Liabilities:	
Increase in Unearned Revenue	18,103
Increase in Accounts Payable	1,211,931
(Increase) in Other Accounts Receivable	(15,348)
(Decrease) in Interfund Payable	<u>(6,394)</u>
Net Cash Used for Operating Activities	<u><u>\$ (2,599,293)</u></u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$68,610 and utilized U.S.D.A. Commodities valued at \$68,610.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN
INTEGRAL PART OF THIS STATEMENT

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the “Board”) of Fair Lawn Public Schools (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board’s accounting policies are described below.

A. Reporting Entity

The Board 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.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. 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.

B. Basis of Presentation

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District’s governmental and business type activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other on exchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer’s share of payroll taxes, compensated absences and tuition reimbursements.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

District-Wide Financial Statements: (Cont'd)

Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category – governmental and proprietary – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund. These resources can be transferred from and to current expenses by board resolution.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The District reports the following proprietary fund:

Enterprise Funds: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2021 was submitted to the County office and was approved by a vote of the Board of Education. 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. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" and Other Financing Sources from the Budgetary Comparison Schedule	\$ 123,575,551	\$ 2,606,897
Differences - Budgetary to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	589,205	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(648,675)</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 123,516,081</u>	<u>\$ 2,606,897</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 117,571,848	\$ 2,788,486
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 117,571,848	\$ 2,788,486

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to the type 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. Additionally, the District has adopted a cash management plan that 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.

N.J.S.A 17:9-41et 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 depository unless such funds are secured in accordance with the 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 market value of 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 the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers.

Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities or governmental and agency funds, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an 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 in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value.

The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 years
Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and the related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2021.

N. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. 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.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

N. Compensated Absences (Cont'd)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's various employee contracts/agreements. Upon termination, employees are paid for accrued vacation. The District's various employee contracts/agreements permit employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee contracts/agreements.

In the district-wide Statement of Net Position, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue

Unearned revenue in the special revenue and the enterprise funds represent cash which has been received but not yet earned.

P. Fund Balance Appropriated

General Fund: Of the \$37,809,999 General Fund fund balance at June 30, 2021, \$5,870,680 is assigned for Encumbrances; \$1,000,000 is assigned as Designated for Subsequent Year's Expenditures; \$19,256,610 is restricted in the Capital Reserve account; \$3,890,353 is restricted in the Maintenance Reserve account; \$602,906 is restricted in the Emergency Reserve account; \$875,541 is restricted for Unemployment Compensation; and \$6,313,909 of unassigned fund balance, which is \$648,675 less than the budgetary unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2022.

Special Revenue Fund: Of the fund balance of \$343,933 in Special Revenue Fund at June 30, 2021, \$29,138 is restricted for Scholarships; \$314,795 is restricted for Student Activities.

Capital Projects Fund: The Capital Projects Fund fund balance at June 30, 2021 of \$684,586 is restricted.

Debt Service Fund: The \$534,865 of fund balance in the Debt Service Fund at June 30, 2021 is restricted, of which \$286,367 has been appropriated and included as anticipated revenue in the budget for the fiscal year ended June 30, 2022.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has no excess surplus at June 30, 2021.

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the last state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated (Cont'd)

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

Q. Deficit Net Position

The District has a deficit in unrestricted net position of \$18,951,689 in governmental activities, which is primarily due to accrued interest payable, compensated absences payable, deferred inflows related to pensions and net pension liability; net of fund balance assigned for subsequent year's expenditures, assigned for encumbrances, unassigned fund balance and deferred outflows related to pensions. This deficit does not indicate that the District is in financial difficulties, and is a permitted practice under generally accepted accounting principles.

R. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows and outflows of resources at June 30, 2021 for pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Fund Balance Restrictions, Commitments and Assignments

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

S. Fund Balance Restrictions, Commitments and Assignments (Cont'd)

highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for a capital reserve, a maintenance reserve, an emergency reserve, unemployment compensation, student activities, scholarships, and the capital projects and debt service funds.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2021.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for the 2021/2022 budget and encumbrances in the General Fund at June 30, 2021.

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest and tuition.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the respective Enterprise Fund. For the School District, these revenues are sales for food service and fees for after care services. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the respective Enterprise Fund.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. Pensions

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Custodial Credit Risk – The District’s policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which New Jersey school districts are permitted to invest their funds.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit, and

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (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 the 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, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law”, P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (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. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (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
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

As of June 30, 2021, cash and cash equivalents and investments of the District consisted of the following:

	Restricted Cash and Cash Equivalents						Cash and Cash Equivalents	Total
	Capital Reserve Account	Maintenance Reserve Account	Emergency Reserve Account	Unemployment Compensation	Student Activities	Scholarship		
Checking Accounts	\$ 19,256,610	\$ 3,890,353	\$ 602,906	\$ 875,541	\$ 314,795	\$ 29,138	\$ 13,032,670	\$ 38,002,013
	<u>\$ 19,256,610</u>	<u>\$ 3,890,353</u>	<u>\$ 602,906</u>	<u>\$ 875,541</u>	<u>\$ 314,795</u>	<u>\$ 29,138</u>	<u>\$ 13,032,670</u>	<u>\$ 38,002,013</u>

During the period ended June 30, 2021, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2021, was \$38,002,013 and the bank balance was \$40,195,278.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District by inclusion of \$100 in 1992 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, 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 amounts, 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. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning Balance, July 1, 2020	\$ 14,173,844
Increased by:	
Transfer from Unassigned Fund Balance as per Board Resolution - June 2021	7,926,527
Interest Earnings	32,995
Decreased by:	
Budgeted Withdrawal	(2,276,756)
Budgeted Withdrawal - Debt Service Fund	<u>(600,000)</u>
Ending Balance, June 30, 2021	<u>\$ 19,256,610</u>

The balance in the capital reserve account at June 30, 2021 does not exceed the LRFP balance of local support costs of uncompleted capital projects.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 1,659,623			\$ 1,659,623
Construction in Progress	35,547,508	\$ 3,252,167		38,799,675
Total Capital Assets Not Being Depreciated	<u>37,207,131</u>	<u>3,252,167</u>		<u>40,459,298</u>
Capital Assets Being Depreciated:				
Site Improvements	5,357,136	169,256		5,526,392
Buildings and Building Improvements	45,684,173	1,639,314		47,323,487
Machinery and Equipment	10,653,143	1,897,644	\$ (1,268,782)	11,282,005
Total Capital Assets Being Depreciated	<u>61,694,452</u>	<u>3,706,214</u>	<u>(1,268,782)</u>	<u>64,131,884</u>
Governmental Activities Capital Assets	<u>98,901,583</u>	<u>6,958,381</u>	<u>(1,268,782)</u>	<u>104,591,182</u>
Less: Accumulated Depreciation for:				
Site Improvements	(3,505,223)	(206,883)		(3,712,106)
Buildings and Building Improvements	(23,121,899)	(924,320)		(24,046,219)
Machinery and Equipment	(8,560,943)	(555,091)	1,267,014	(7,849,020)
	<u>(35,188,065)</u>	<u>(1,686,294)</u>	<u>1,267,014</u>	<u>(35,607,345)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 63,713,518</u>	<u>\$ 5,272,087</u>	<u>\$ (1,768)</u>	<u>\$ 68,983,837</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 769,853	\$ 90,333		\$ 860,186
Less: Accumulated Depreciation	(411,668)	(52,073)		(463,741)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 358,185</u>	<u>\$ 38,260</u>	<u>\$ -0-</u>	<u>\$ 396,445</u>
Depreciation expense was charged to governmental functions as follows:				
Regular Instruction				\$ 1,015,135
School Sponsored/Other Instruction				200,347
Student and Instruction Related Services				62,775
General Administration				45,795
School Administration				26,449
Operations and Maintenance of Plant				115,445
Student Transportation				220,348
				<u>\$ 1,686,294</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 6. OPERATING LEASES

The District has a commitment to lease copying equipment under an operating lease which expires in 2022. Future minimum lease payments are as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2022	\$ 105,180
Total future minimum lease payments	<u>\$ 105,180</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2020</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2021</u>
Serial Bonds Payable	\$ 44,912,000		\$ 2,230,000	\$ 42,682,000
Net Pension Liability	23,963,856		2,731,318	21,232,538
Compensated Absences Payable	811,491	\$ 101,702	151,975	761,218
Capital Leases Payable	550,493		550,493	
	<u>\$ 70,237,840</u>	<u>\$ 101,702</u>	<u>\$ 5,663,786</u>	<u>\$ 64,675,756</u>

A. 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.

The District had bonds outstanding as of June 30, 2021 as follows:

<u>Purpose</u>	<u>Serial Bonds</u> <u>Final Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u>
Refunding Bonds of 2012	02/15/30	3.125-4.00%	\$ 3,785,000
Refunding Bonds of 2014	02/15/30	4.00%	6,330,000
Various Improvements	03/01/35	2.00-3.25%	8,227,000
Various Improvements	09/01/43	3.125-3.50%	24,340,000
			<u>\$ 42,682,000</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

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

<u>Year Ending June 30,</u>	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,315,000	\$ 1,438,793	\$ 3,753,793
2023	2,350,000	1,356,534	3,706,534
2024	2,390,000	1,273,171	3,663,171
2025	2,435,000	1,188,659	3,623,659
2026	2,470,000	1,102,815	3,572,815
2027-2031	11,975,000	4,189,484	16,164,484
2032-2036	8,282,000	2,470,513	10,752,513
2037-2041	6,505,000	1,259,847	7,764,847
2042-2044	3,960,000	207,900	4,167,900
	<u>\$ 42,682,000</u>	<u>\$ 14,487,716</u>	<u>\$ 57,169,716</u>

The bond payments will be paid from the Debt Service Fund.

B. Bonds Authorized But Not Issued:

As of June 30, 2021, the Board had no bonds authorized but not issued.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$-0- and is separated from the long-term portion of compensated absences of \$761,218. The General Fund will be used to liquidate the governmental funds Compensated Absences Payable.

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, 2021, \$-0- is recorded for compensated absences in the Enterprise Funds.

D. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2021 is \$-0- and the long-term portion is \$21,232,538. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax qualified contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

value of assets. District contributions to PERS amounted to \$1,424,344 for fiscal year 2021.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the District's liability was \$21,323,538 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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 members, actuarially determined. At June 30, 2020, the District's proportion was 0.13020%, which was a decrease of 0.0028% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized a pension benefit in the amount of \$426,281. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	5.57	\$ 688,808	
	2017	5.48		\$ (2,009,834)
	2018	5.63		(1,971,786)
	2019	5.21		(1,565,881)
	2020	5.16		(3,342,764)
			<u>688,808</u>	<u>(8,890,265)</u>
Difference Between Expected and Actual Experience	2016	5.57	20,903	
	2017	5.48	59,772	
	2018	5.63		(75,087)
	2019	5.21	119,697	
	2020	5.16	186,237	
			<u>386,609</u>	<u>(75,087)</u>
Net Difference Between Projected and Actual	2017	5.48	(259,823)	
Investment Earnings on Pension Plan Investments	2018	5.63	(240,969)	
	2019	5.21	58,315	
	2020	5.00	1,168,222	
			<u>725,745</u>	

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion	2016	5.57		\$ (3,906)
	2017	5.48		(178,875)
	2018	5.63		(1,370,439)
	2019	5.21		(418,055)
	2020	5.16		(507,132)
				(2,478,407)
District Contribution Subsequent to the Measurement Date	2020	1.00	\$ 1,650,600	
			\$ 3,451,762	\$ (11,443,759)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to measurement date) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2021	\$ (2,664,295)
2022	(2,429,027)
2023	(1,388,127)
2024	(561,335)
2025	(121,405)
	\$ (7,164,190)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020. The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and nonemployers contributing entity will be made based on 78% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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 collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed below, 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 or 1-percentage-point higher than the current rate:

	June 30, 2020		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 26,669,014	\$ 21,232,538	\$ 16,532,594

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided

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. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members 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.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. 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 included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2021, the State of New Jersey contributed \$11,334,993 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$15,527,478.

The employee contribution rate was 7.50% effective July 1, 2020

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
 (Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the State's proportionate share of the net pension liability associated with the District was \$249,701,108. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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 members, actuarially determined. At June 30, 2020, the District's proportion was 0.379%, which was a decrease of 0.0011% from its proportion measured as of June 30, 2019.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>249,701,108</u>
Total	<u><u>\$ 249,701,108</u></u>

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$15,527,478 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 financial statements.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Cont'd)

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 461,324,773	
	2015	8.30	1,638,696,238	
	2016	8.30	4,304,747,820	
	2017	8.30		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	1,411,170,422	
			<u>7,815,939,253</u>	<u>14,241,964,752</u>
Difference Between Expected and Actual Experience	2014	8.30		4,393,807
	2015	8.50	101,207,836	
	2016	8.30		53,533,223
	2017	8.30	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99		7,520,890
			<u>986,767,511</u>	<u>182,357,860</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5.00	(226,008,261)	
	2017	5.00	(192,060,744)	
	2018	5.00	108,662,078	
	2019	5.00	965,582,162	
	2020	5.00	656,175,235	
			<u>\$ 9,458,881,999</u>	<u>\$ 14,424,322,612</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	(335,285,618)
	<u>\$ (4,965,440,613)</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 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 78% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate

The following presents the State's proportionate share of net pension liability associated with the District as of June 30, 2020 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate (Cont'd)

	June 30, 2020		
	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 293,303,196	\$ 249,701,108	\$ 213,496,894

Pension Plan Fiduciary Net Position

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$147,937 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$208,699 for the fiscal year ended June 30, 2021.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees 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 GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notice-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	<u>216,892</u>
Total	<u><u>364,943</u></u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2018	\$ 160,487,137
Changes for Year:	
Service Cost	5,831,926
Interest on the Total OPEB Liability	6,353,472
Difference between Actual and Expected Experience	(24,992,778)
Changes of Assumptions	2,169,640
Gross Benefit Payments by the State	(4,466,875)
Contributions from Members	132,411
Net Changes	(14,972,204)
Balance at June 30, 2019	\$ 145,514,933

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 171,910,639	\$ 145,514,933	\$ 124,547,631

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 119,897,819	\$ 145,514,933	\$ 179,426,732

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

For the fiscal year ended June 30, 2021 the District recognized OPEB expense of \$3,444,364 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District’s proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 16,940,881
	2018	9.51		14,571,450
	2019	9.29	\$ 1,936,093	
			<u>1,936,093</u>	<u>31,512,331</u>
Differences between Expected and Actual Experience	2018	9.51		13,774,554
	2019	9.29		22,787,934
				<u>36,562,488</u>
Changes in Proportion	N/A	N/A	896,006	
			<u>\$ 2,832,099</u>	<u>\$ 68,074,819</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2020	\$ (8,880,087)
2021	(8,880,084)
2022	(8,880,084)
2023	(8,880,084)
2024	(8,880,084)
Thereafter	<u>(21,738,303)</u>
	<u>\$ (66,138,726)</u>

NOTE 10. RISK MANAGEMENT

The 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 for which the District has commercial insurance coverage. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The District obtains their dental benefits insurance through Delta Dental Plan of New Jersey and their medical coverage through the State of New Health Benefits Plan.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Workers' Compensation

The Fair Lawn Public Schools is a member of the New Jersey Schools Insurance Group (the "Group"). This public entity risk management pool provides workers' compensation coverage to the District. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected. As a member of this Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The June 30, 2021 audit report for the Group is not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2020 is as follows:

	New Jersey Schools Insurance Group
Total Assets	\$ 384,022,002
Net Position	\$ 142,512,304
Total Revenue	\$ 147,724,864
Total Expenses	\$ 113,037,156
Change in Net Position	\$ 34,687,708
Members Dividends	\$ 3,279,199

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 is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years.

Fiscal Year	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2020-2021	\$ 2,814	\$ 267,423	\$ 179,146	\$ 875,541
2019-2020	6,229	189,443	116,874	784,450
2018-2019	-0-	151,437	107,260	705,652

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 12,679	
Special Revenue Fund		\$ 12,679
Capital Projects Fund		498,433
Debt Service Fund	498,433	
	\$ 511,112	\$ 511,112

The interfund between the General Fund and the Special Revenue Fund is due to a deficit in cash and cash equivalents in the Special Revenue Fund. This deficit is due to timing between expenditure and reimbursement from the State of New Jersey on federal grants. The interfund receivable in the Debt Service Fund is due to the cancellation of project balances in the Capital Projects Fund which were funded by serial bonds.

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit 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.

The plan administrators are as follows:

- AXA
- Variable Annuity Life (VALIC)
- Equitable Life Assurance
- Lincoln Investment Planning

Equitable Life Assurance is the plan administrator for the District's Internal Revenue Code Section 457 plan.

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined mutually agreed-upon schedule.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 15. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2021, the District transferred \$736,426 to the capital outlay accounts for equipment which did not require approval from the County Superintendent.

NOTE 16. COMMITMENTS AND CONTINGENCIES

Grant Programs

The District participates in state and federally assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in pending lawsuits. The District estimates that any potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2021, there were encumbrances as detailed below in the governmental funds.

General Fund	Capital Projects Fund	Total Governmental Funds
\$ 5,870,680	\$ 45,180	\$ 5,915,860

There were encumbrances of \$45,180 which are included in the Restricted Capital Projects Fund fund balance on the District's Governmental Funds Balance Sheet as of June 30, 2021.

NOTE 17. ACCOUNTS PAYABLE

Accounts payable as of June 30, 2021 consisted of the following:

	Governmental Funds		District Contri- bution Subsequent to the Measure- ment Date	Total Governmental Activities	Business-Type Activities
	General Fund	Special Revenue Fund			Proprietary Funds
Vendors	\$ 1,027,324	\$ 81,641		\$ 1,108,965	\$ 1,211,931
State of New Jersey			\$ 1,650,600	1,650,600	
Payroll Deductions and Withholdings	461,709			461,709	
	\$ 1,489,033	\$ 81,641	\$ 1,650,600	\$ 3,221,274	\$ 1,211,931

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 18. MAINTENANCE RESERVE ACCOUNT

These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year’s budget that is certified for taxes.

Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district’s school facilities.

If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year’s budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Beginning Balance, July 1, 2020	\$ 2,000,000
Increased by:	
Transfer from Unassigned Fund Balance as per Board Resolution - June 2021	3,124,335
Interest Earnings	11,623
Decreased by:	
Withdrawal as per Board Resolution - Reduction in State Aid	<u>(1,245,605)</u>
Ending Balance, June 30, 2021	<u>\$ 3,890,353</u>

NOTE 19. EMERGENCY RESERVE

An emergency reserve account was established by Board resolution in July 2020. The account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 % of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1st and June 30th. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or for a withdrawal that was

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 19. EMERGENCY RESERVE (Cont'd)

included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1.

The activity of the emergency reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 500,000
Increased by:	
Transfer from Unassigned Fund Balance as per Board Resolution - June 2021	100,000
Interest Earnings	2,906
	2,906
Ending Balance, June 30, 2021	\$ 602,906

NOTE 20. PRIOR YEAR ADJUSTMENT

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund (which includes Athletic Activities) and Private Purpose Scholarship Trust Fund are not reported in the Special Revenue Fund.

In addition, the District made prior year adjustments in the District Wide and the Proprietary Fund Financial Statements to adjust capital assets due to an updated appraisal report as of June 30, 2021. As a result, the District Wide and the Proprietary Fund Financials Statements have been restated as detailed below and on the following page.

Additionally, there were expenditures which had been charged in previous years to the General Fund budget but which were determined during the current fiscal year should have been charged to the 2018 referendum project in the Capital Projects Fund the in the amount of \$755,149. The General Fund and Capital Projects Fund ending fund balances at June 30, 2020 were restated as detailed below and on the following page.

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
	Previously Reported	Retroactive Adjustments	Restated
<u>Statement of Net Activities - Governmental Activities:</u>			
Assets:			
Capital Assets, Net:			
Depreciable Buildings and Building Improvements,			
Site Improvements and Machinery & Equipment	\$ 63,683,119	\$ 30,399	\$ 63,713,518
Net Position:			
Net Investment in Capital Assets	\$ 18,220,626	\$ 30,399	\$ 18,251,025
Total Net Position	21,820,046	1,340,371	23,160,417

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 20. PRIOR YEAR ADJUSTMENT (Cont'd)

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
	Reported	Adjustments	Restated
<u>Statement of Net Activities - Business-type Activities:</u>			
Assets:			
Capital Assets	\$ 362,271	\$ 407,582	\$ 769,853
Accumulated Depreciation	\$ (273,459)	\$ (138,209)	\$ (411,668)
Total Assets	\$ 305,726	\$ 269,373	\$ 575,099
Net Position:			
Investment in Capital Assets	\$ 88,812	\$ 269,373	\$ 358,185
Total Net Position	\$ 244,588	\$ 269,373	\$ 513,961
<u>Statement of Revenues, Expenditures and Changes in</u>			
<u>Fund Balances - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	\$ 31,006,156	\$ 1,539,599	\$ 32,545,755
Special Revenue Fund:			
Fund Balance - June 30	\$ -0-	\$ 525,522	\$ 525,522
Capital Projects Fund:			
Fund Balance - June 30	\$ 4,929,202	\$ (755,149)	\$ 4,174,053
<u>Statement of Revenues, Expenditures and Changes in</u>			
<u>Fund Balances - Proprietary Funds:</u>			
Food Service Fund:			
Assets:			
Capital Assets	\$ 362,271	\$ 407,582	\$ 769,853
Accumulated Depreciation	\$ (273,459)	\$ (138,209)	\$ (411,668)
Total Assets	\$ 305,726	\$ 269,373	\$ 575,099
Net Position:			
Investment in Capital Assets	\$ 88,812	\$ 269,373	\$ 358,185
Total Net Position	\$ 244,588	\$ 269,373	\$ 513,961
<u>Statement of Changes in Fiduciary Net Position -</u>			
<u>Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	\$ 784,450	\$ (784,450)	\$ -0-
Private Purpose Scholarship Trust:			
Net Position - End of the Year	\$ 31,174	\$ (31,174)	\$ -0-

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 21. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey continues to cause disruption of the District's financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will continue to be an impact on certain revenues in the General Fund other than state aid and the local tax levy. There have been additional operating expenses in the General Fund due to schools re-opening on a full-time basis.

The District's Food Service Fund has impacted by COVID-19 for the fiscal year ending June 30, 2021 as the District continues to offer free lunch to all students under the seamless summer option.

The District refunded \$3,355,000 of its 2012 refunding school bonds, \$4,885,000 of its 2013 refunding school bonds and \$7,282,000 of its 2015 school refunding bonds with \$16,360,000 of 2021 refunding school bonds dated September 9, 2021. The 2021 refunding school bonds were issued with interest rates of .316% - 2.288%. As a result of the refunding, the District will have a net present value savings over the life of the 2021 refunding school bonds of \$997,885.

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

FAIR LAWN PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.1551818755%	0.1522285199%	0.1520364380%	0.1499850290%	0.1359914937%	0.1329959669%	0.1302019808%
District's proportionate share of the net pension liability	\$ 29,054,291	\$ 34,172,252	\$ 45,028,832	\$ 34,684,470	\$ 26,776,047	\$ 23,963,856	\$ 21,232,538
District's covered employee payroll	\$ 9,754,894	\$ 9,719,098	\$ 9,836,977	\$ 9,412,139	\$ 9,326,718	\$ 9,160,723	\$ 9,344,363
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	297.84%	351.60%	457.75%	368.51%	287.09%	261.59%	227.22%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

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

FAIR LAWN PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 1,279,297	\$ 1,308,757	\$ 1,354,684	\$ 1,394,926	\$ 1,357,170	\$ 1,297,630	\$ 1,424,344
Contributions in relation to the contractually required contribution	(1,279,297)	(1,308,757)	(1,354,684)	(1,394,926)	(1,357,170)	(1,297,630)	(1,424,344)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 9,719,098	\$ 9,836,977	\$ 9,412,139	\$ 9,326,718	\$ 9,160,723	\$ 9,344,363	\$ 8,745,131
Contributions as a percentage of covered employee payroll	13.16%	13.30%	14.39%	14.96%	14.82%	13.89%	16.29%

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

FAIR LAWN PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's proportion of the net pension liability attributable to the District	0.3699274843%	0.3735561896%	0.3768283543%	0.3800082017%	0.3742537707%	0.3803055897%	0.3792037529%
State's proportionate share of the net pension liability attributable to the District	\$ 197,714,201	\$ 236,103,641	\$ 296,435,603	\$ 256,215,232	\$ 238,092,210	\$ 233,397,118	\$ 249,701,108
District's covered employee payroll	\$ 37,910,489	\$ 38,887,483	\$ 38,830,986	\$ 39,973,439	\$ 40,629,471	\$ 42,459,901	\$ 43,906,652
State's proportionate share of the net pension liability as a percentage of its covered employee payroll	521.53%	607.15%	763.40%	640.96%	586.01%	549.69%	568.71%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

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

FAIR LAWN PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	N/A	N/A	N/A	N/A	N/A	N/A	\$ 15,527,478
Contributions in relation to the contractually required contribution	N/A	N/A	N/A	N/A	N/A	N/A	(11,334,993)
Contribution deficiency/(excess)	N/A	N/A	N/A	N/A	N/A	N/A	<u>\$ 4,192,485</u>
District's covered employee payroll	\$ 38,887,483	\$ 38,830,986	\$ 39,973,439	\$ 40,629,471	\$ 42,459,901	\$ 43,906,652	\$ 45,508,916
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	24.91%

N/A - Not Available

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

FAIR LAWN PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL
OPEB LIABILITY ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST THREE FISCAL YEARS

	Fiscal Year Ending June 30,		
	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 8,088,181	\$ 6,718,004	\$ 5,831,926
Interest	5,887,159	6,837,176	6,353,472
Differences between Expected and Actual Experience		(16,826,160)	(24,992,778)
Changes in Assumptions	(24,043,354)	(18,416,702)	2,169,640
Member Contributions	158,908	148,317	132,411
Gross Benefit Payments	(4,315,517)	(4,291,369)	(4,466,875)
Net Change in Total OPEB Liability	(14,224,623)	(25,830,734)	(14,972,204)
Total OPEB Liability - Beginning	200,542,494	186,317,871	160,487,137
Total OPEB Liability - Ending	<u>\$ 186,317,871</u>	<u>\$ 160,487,137</u>	<u>\$ 145,514,933</u>
District's Covered Employee Payroll *	\$ 49,956,189	\$ 51,620,624	\$ 53,251,015
Total OPEB Liability as a Percentage of Covered Employee Payroll	373%	311%	273%

* - Covered payroll for the fiscal years ending June 30, 2017, 2018 and 2019 are based on the payroll on the June 30, 2016, 2017 and 2018 census data.

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

FAIR LAWN PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement 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. Post-retirement 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 MP-2017 scale.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term 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.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 92,788,775		\$ 92,788,775	\$ 92,788,775	\$ 201,078
Tuition from Other LEA's	101,652		101,652	302,730	11,000
Tuition from Individuals				11,000	(40,000)
Transportation Fees from Individuals	40,000		40,000		30,995
Interest Earned on Capital Reserve Funds	2,000		2,000	32,995	11,623
Interest Earned on Maintenance Reserve Funds				11,623	2,906
Interest Earned on Emergency Reserve Funds				2,906	(1,956,159)
Other Restricted Miscellaneous Revenues	2,313,228		2,313,228	357,069	241,489
Unrestricted Miscellaneous Revenue	73,000		73,000	314,489	(1,497,068)
Total - Local Sources	95,318,655		95,318,655	93,821,587	
State Sources:					
Extraordinary Aid	555,992		555,992	3,213,647	2,657,655
Extraordinary Aid - Excess Prior Year				198,557	198,557
Excess Nonpublic School Transportation Costs				134,270	134,270
Special Education Aid	4,363,870		4,363,870	4,363,870	
Equalization Aid	3,269,663	\$ (1,245,605)	2,024,058	2,024,058	
Security Aid	464,041		464,041	464,041	
Transportation Aid	840,898		840,898	840,898	
Homeless Tuition Reimbursement				189,791	189,791
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				3,619,796	3,619,796
On-Behalf TPAF Pension Contributions (Non-Budgeted)				11,334,993	11,334,993
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				215,663	215,663
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				6,586	6,586
TPAF Social Security (Reimbursed - Non-Budgeted)				3,092,264	3,092,264
Total State Sources	9,494,464	(1,245,605)	8,248,859	29,698,434	21,449,575
Federal Sources:					
Medicaid Assistance Program	66,185		66,185	53,057	(13,128)
FFCRA SEMI				2,473	2,473
Total - Federal Sources	66,185		66,185	55,530	(10,655)
Total Revenues	104,879,304	(1,245,605)	103,633,699	123,575,551	19,941,852

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
REGULAR PROGRAMS - INSTRUCTION:					
Kindergarten - Salaries of Teachers	\$ 1,154,680	\$ (29,481)	\$ 1,125,199	\$ 1,110,090	\$ 15,109
Grades 1-5 - Salaries of Teachers	10,675,887	(126,888)	10,548,999	10,368,721	180,278
Grades 6-8 - Salaries of Teachers	7,662,937	76,985	7,739,922	7,660,194	79,728
Grades 9-12 - Salaries of Teachers	9,296,957	(101,275)	9,195,682	9,056,862	138,820
Regular Programs - Home Instruction:					
Salaries of Teachers	100,000	(18,749)	81,251	10,849	70,402
Purchased Professional-Educational Services	20,400	(3,966)	16,434	3,560	12,874
Other Salaries for Instruction					
Purchased Professional-Educational Services	1,079,916	(84,443)	995,473	894,899	100,574
Other Purchased Services (400-500 series)	246,623	194,300	440,923	436,640	4,283
Rentals	444,899	(444,899)			
General Supplies	1,243,548	40,577	1,284,125	952,608	331,517
Textbooks	147,235	(40,163)	107,072	98,783	8,289
Other Objects	185,294	428,660	613,954	580,263	33,691
TOTAL REGULAR PROGRAMS - INSTRUCTION	32,258,376	(109,342)	32,149,034	31,173,469	975,565
SPECIAL EDUCATION - INSTRUCTION:					
Learning and/or Language Disabilities:					
Salaries of Teachers	976,285	(71,990)	904,295	888,533	15,762
Other Salaries for Instruction	767,068	(90,693)	676,375	664,806	11,569
Purchased Professional-Educational Services	94,160	(4,894)	89,266	25,720	63,546
General Supplies	2,492	130	2,622	1,097	1,525
Textbooks	3,765	(3,447)	318		318
Total Learning and/or Language Disabilities	1,843,770	(170,894)	1,672,876	1,580,156	92,720
Behavioral Disabilities:					
Salaries of Teachers	408,271	(26,271)	382,000	378,700	3,300
Other Salaries for Instruction	235,427	(4,316)	231,111	215,741	15,370
Purchased Professional-Educational Services	22,302		22,302	1,760	20,542
General Supplies	1,399	(3,000)	1,399	396	1,003
Textbooks	3,000				
Other Objects	1,000	(29)	971	348	623
Total Behavioral Disabilities	671,399	(33,616)	637,783	596,945	40,838

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
SPECIAL EDUCATION - INSTRUCTION:					
Multiple Disabilities:					
Salaries of Teachers	\$ 280,073	\$ 13,153	\$ 293,226	\$ 288,798	\$ 4,428
Other Salaries for Instruction	460,931	60,512	521,443	495,830	25,613
General Supplies	6,199	3,222	9,421	560	8,861
Purchased Professional - Educational Services	14,608		14,608	2,588	12,020
Other Objects	1,000	(94)	906		906
Total Multiple Disabilities	762,811	76,793	839,604	787,776	51,828
Resource Room/Resource Center:					
Salaries of Teachers	3,424,058	4,093	3,428,151	3,330,946	97,205
Purchased Professional - Educational Services	69,412	(40,674)	28,738	12,317	16,421
General Supplies	8,319	(1,721)	6,598	3,976	2,622
Textbooks	3,093	(2,620)	473		473
Total Resource Room/Resource Center	3,504,882	(40,922)	3,463,960	3,347,239	116,721
Autism:					
Salaries of Teachers	586,046	61,818	647,864	638,626	9,238
Other Salaries for Instruction	894,469	(92,443)	802,026	779,853	22,173
Purchased Professional - Educational Services	74,614	(21,867)	52,747	11,074	41,673
Purchased Technical Services	10,013	(10,013)			
General Supplies	6,300	12,270	18,570	7,168	11,402
Total Autism	1,571,442	(50,235)	1,521,207	1,436,721	84,486
Preschool Disabilities - Part-Time:					
Salaries of Teachers	387,161	(31,371)	355,790	355,551	239
Other Salaries for Instruction	134,847	93,896	228,743	221,341	7,402
Purchased Professional - Educational Services	33,246	(1,750)	31,496	5,175	26,321
General Supplies	1,206	767	1,973	313	1,660
Other Objects	1,000	348	1,348	1,348	
Total Preschool Disabilities - Part-Time	557,460	61,890	619,350	583,708	35,642

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 194,066	\$ 13,767	\$ 207,833	\$ 207,566	\$ 267
Other Salaries for Instruction	428,907	41,539	470,446	442,980	27,466
Purchased Professional - Educational Services	20,537	(1,358)	19,179	4,658	14,521
General Supplies	1,091	2,199	3,290	2,337	953
Other Objects	1,000	14,000	15,000		15,000
Total Preschool Disabilities - Full-Time	645,601	70,147	715,748	657,541	58,207
Home Instruction:					
Salaries of Teachers	92,105		92,105	55,186	36,919
Purchased Professional-Educational Services	87,220	68,420	155,640	112,801	42,839
Total Home Instruction	179,325	68,420	247,745	167,987	79,758
TOTAL SPECIAL EDUCATION - INSTRUCTION	9,736,690	(18,417)	9,718,273	9,158,073	560,200
Basic Skills/Remedial - Instruction					
Salaries of Teachers	206,708		206,708	157,838	48,870
General Supplies	55,531	(1,609)	53,922	20,173	33,749
Total Basic Skills/Remedial - Instruction	262,239	(1,609)	260,630	178,011	82,619
Bilingual Education - Instruction:					
Salaries of Teachers	994,980		994,980	970,338	24,642
General Supplies	15,800	1,609	17,409	12,113	5,296
Total Bilingual Education - Instruction	1,010,780	1,609	1,012,389	982,451	29,938
School Sponsored Cocurricular Activities:					
Salaries	463,967	9,005	472,972	369,042	103,930
Supplies and Materials	6,150		6,150	4,649	1,501
Other Objects	40,500		40,500	26,450	14,050
Total School-Sponsored Cocurricular Activities	510,617	9,005	519,622	400,141	119,481

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
School-Sponsored Athletics:					
Salaries	\$ 637,157	\$ 21,898	\$ 659,055	\$ 612,432	\$ 46,623
Purchased Services (300-500 Series)	121,724	(13,954)	107,770	37,208	70,562
Supplies and Materials	77,293	3,853	81,146	35,076	46,070
Travel	694	(694)			
Other Objects	154,376	(23,972)	130,404	100,248	30,156
Total School-Sponsored Athletics	991,244	(12,869)	978,375	784,964	193,411
Other Supplemental/At-Risk Programs - Instruction:					
Salaries of Teachers	1,171,164	(11,180)	1,159,984	1,041,824	118,160
Salaries of Reading Specialists	189,865	2,175	192,040	192,040	
Purchased Professional & Technical Services	276		276		276
General Supplies	300		300		300
Total Other Supplemental/ At-Risk Programs - Instruction	1,361,605	(9,005)	1,352,600	1,233,864	118,736
Total Instruction	46,131,551	(140,628)	45,990,923	43,910,973	2,079,950
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Special	144,912	40,773	185,685	135,135	50,550
Tuition to County Vo. School District-Regular	618,456	(13,281)	605,175	599,522	5,653
Tuition to County Vo. School District-Special	265,650	(947)	264,703	233,982	30,721
Tuition to CSSD and Regular Day Schools	1,628,309	12,495	1,640,804	1,422,550	218,254
Tuition to Private Schools for the Handicapped Within State	4,962,877	(69,264)	4,893,613	2,784,648	2,108,965
Tuition - State Facilities	39,872		39,872	39,872	
Tuition - Other	107,421	1,558	108,979	108,979	
Total Undistributed Expenditures - Instruction	7,767,497	(28,666)	7,738,831	5,324,688	2,414,143

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures - Attendance and Social Work Services:					
Salaries	\$ 59,029	\$ 2,255	\$ 61,284	\$ 61,183	\$ 101
Total Undistributed Expenditures - Attendance and Social Work Services	59,029	2,255	61,284	61,183	101
Undistributed Expenditures - Health Services:					
Salaries	843,547	48,773	892,320	854,294	38,026
Purchased Professional and Technical Services	1,077,562	16,710	1,094,272	1,040,698	53,574
Other Purchased Services (400-500 series)	13,864	(9,451)	4,413	253	4,160
Supplies and Materials	56,730	64,564	121,294	109,789	11,505
Other Objects	7,844	2,230	10,074	10,074	
Total Undistributed Expenditures - Health Services	1,999,547	122,826	2,122,373	2,015,108	107,265
Undist. Expend. - Speech, OT, PT and Related Services:					
Salaries	1,871,470	185	1,871,655	1,784,461	87,194
Purchased Professional - Educational Services	1,033,500	(110,228)	923,272	471,460	451,812
Supplies and Materials	10,520	1,055	11,575	5,798	5,777
Total Undist. Expend. - Speech, OT, PT and Related Services	2,915,490	(108,988)	2,806,502	2,261,719	544,783
Undist. Expend. - Other Supp. Serv. Students - Extraordinary Services:					
Purchased Professional - Educational Services	55,397	12,712	68,109	60,009	8,100
Supplies and Materials	22,756	13,733	36,489	36,489	
Total Undist. Expend. - Other Supp. Serv. Students - Extraordinary Serv.	78,153	26,445	104,598	96,498	8,100
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	1,379,794	(47,497)	1,332,297	1,213,296	119,001
Salaries of Secretarial and Clerical Assistants	239,294	2,712	242,006	242,006	
Other Salaries	12,170	9,430	21,600	21,600	
Supplies and Materials	2,650	(334)	2,316		2,316
Other Objects	16,015	(2,154)	13,861	11,378	2,483
Total Undist. Expend. - Guidance	1,649,923	(37,843)	1,612,080	1,488,280	123,800

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Child Study Teams:					
Salaries of Other Professional Staff	\$ 2,203,173	\$ (27,524)	\$ 2,175,649	\$ 2,125,147	\$ 50,502
Salaries of Secretarial and Clerical Assistants	227,468	(32,026)	195,442	195,442	
Other Salaries	2,210,333	(342,032)	1,868,301	1,855,892	12,409
Purchased Professional - Educational Services	351,269	55,406	406,675	311,524	95,151
Other Purchased Services (400 - 500 Series)	7,500	9,116	16,616	15,304	1,312
Supplies and Materials	27,763	(6,984)	20,779	17,193	3,586
Other Objects	8,568		8,568	1,092	7,476
Total Undist. Expend. - Child Study Teams	5,036,074	(344,044)	4,692,030	4,521,594	170,436
Undist. Expend. - Improvement of Instructional Services:					
Salaries of Other Professional Staff	471,060	(218)	470,842	468,718	2,124
Salaries of Secretarial and Clerical Assistants	99,747	1,395	101,142	101,142	
Other Salaries	103,408	(40,374)	63,034	55,396	7,638
Salaries of Facilitators, Math & amp; Literacy Coaches	52,820	(14,487)	38,333	25,136	13,197
Other Purchased Services (400-500)	2,500	(1,638)	862	104	758
Supplies and Materials	2,343		2,343	331	2,012
Other Objects	1,200	2,575	3,775	3,775	
Total Undist. Expend. - Improvement of Instructional Services	733,078	(52,747)	680,331	654,602	25,729
Undist. Expend. - Educational Media Services/School Library:					
Salaries	411,620	(11,779)	399,841	379,069	20,772
Salaries of Technology Coordinators		299,036	299,036	299,036	
Supplies and Materials	50,277	2,774	53,051	47,392	5,659
Total Undist. Expend. - Educational Media Services/School Library	461,897	290,031	751,928	725,497	26,431
Undist. Expend. - Instructional Staff Training Services:					
Salaries of Other Professional Staff	32,264	193,554	225,818	225,818	
Purchased Professional - Educational Services	54,900	(28,925)	25,975	18,380	7,595
Other Purchased Services	23,220	(10,620)	12,600	4,040	8,560
Supplies and Materials	1,000		1,000		1,000
Other Objects	4,000		4,000	4,000	
Total Undist. Expend. - Instructional Staff Training Services	115,384	154,009	269,393	252,238	17,155

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Support Services - General Administration:					
Salaries	\$ 308,374	\$ (6,395)	\$ 301,979	\$ 301,761	\$ 218
Legal Services	256,435	(37,567)	218,868	72,057	146,811
Audit Fees	79,350	5,150	84,500	39,500	45,000
Environmental Monitoring	10,500	(10,500)			
Architectural/Engineering Services	20,808	20,742	41,550	9,300	32,250
Other Purchased Professional Services	34,400	(10,830)	23,570	23,070	500
Communications/Telephone	108,102	156,323	264,425	218,953	45,472
BOE Other Purchased Services	5,700	(5,121)	579	579	
Misc. Purchased Services (400-500)	46,289	(9,325)	36,964	36,964	
General Supplies	2,601	(1,824)	777	777	
Judgments Against the School District	346,618	(67,382)	279,236	272,436	6,800
Miscellaneous Expenditures	44,378	(3,518)	40,860	38,830	2,030
Total Undist. Expend. - Support Services - General Administration	1,263,555	29,753	1,293,308	1,014,227	279,081
Undist. Expend. - Support Serv. - School Administration:					
Salaries of Principals/Assistant Principals	2,988,579	(35,578)	2,953,001	2,875,157	77,844
Salaries of Other Professional Staff	471,060	10,248	481,308	480,718	590
Salaries of Secretarial and Clerical Assistants	869,002	12,877	881,879	879,799	2,080
Other Salaries	28,993	12,454	41,447	41,447	
Other Objects	30,200	12,960	43,160	31,482	11,678
Miscellaneous Expenditures	9,545	(9,545)			
Total Undist. Expend. - Support Serv. - School Administration	4,397,379	3,416	4,400,795	4,308,603	92,192
Undist. Expend. - Central Services:					
Salaries	1,367,956	96,942	1,464,898	1,464,788	110
Purchased Professional Services	99,500	(475)	99,025	73,207	25,818
Purchased Technical Services	5,000	71,161	76,161		76,161
Miscellaneous Purchased Services	98,107	7,139	105,246	64,011	41,235
Supplies and Materials	9,226	354	9,580	7,013	2,567
Miscellaneous Expenditures	4,266	7,632	11,898	3,751	8,147
Total Undist. Expend. - Central Services	1,584,055	182,753	1,766,808	1,612,770	154,038

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Administrative Information Technology:					
Salaries	\$ 1,198,765	\$ (6,432)	\$ 1,192,333	\$ 625,502	\$ 566,831
Technology Coordinator	284,000	(284,000)			
Purchased Professional Services	292,668	(44,393)	248,275	169,700	78,575
Purchased Technical Services	242,360	126,370	368,730	215,461	153,269
Other Purchased Services (400-500 series)	155,835	6,677	162,512	147,100	15,412
Supplies and Materials	45,603		45,603	4,525	41,078
Other Objects	473,056	(207,276)	265,780	52,473	213,307
Total Undist. Expend. - Administrative Information Technology	2,692,287	(409,054)	2,283,233	1,214,761	1,068,472
Required Maintenance for School Facilities:					
Salaries	764,067	(17,062)	747,005	727,649	19,356
Cleaning, Repair and Maintenance Services	487,319	67,641	554,960	210,644	344,316
Lead Testing of Drinking Water	2,104	(2,104)			
General Supplies	266,567	120,269	386,836	236,237	150,599
Total Required Maintenance for School Facilities	1,520,057	168,744	1,688,801	1,174,530	514,271
Undist. Expend. - Custodial Services:					
Salaries	1,088,533	4,939	1,093,472	1,051,019	42,453
Salaries of Non-Instructional Aides	474,566	(126,751)	347,815	55,187	292,628
Other Salaries	368	(368)			
Other Purchased Professional Services	31,378	(31,378)			
Unused Vacation Payment to Terminated/Retired Staff		10,114	10,114	10,114	
Purchased Professional and Technical Services	176,056	7,126	183,182	60,761	122,421
Cleaning, Repair and Maintenance Services	2,745,279	152,496	2,897,775	2,441,412	456,363
Other Purchased Property Services	169,464	(53,999)	115,465	31,326	84,139
Insurance	440,262	(45,182)	395,080	386,727	8,353
Miscellaneous Purchased Services	43,909	(21,839)	22,070	10,589	11,481
General Supplies	340,974	117,975	458,949	372,411	86,538
Energy (Natural Gas)	677,159	(190,454)	486,705	313,043	173,662
Energy (Electricity)	1,201,552	(183,805)	1,017,747	538,941	478,806
Energy (Oil)	40,446		40,446	29,650	10,796
Other Objects	4,000	37,816	41,816	26,666	15,150
Total Undist. Expend. - Custodial Services	7,433,946	(323,310)	7,110,636	5,327,846	1,782,790

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Care and Upkeep of Grounds:					
Salaries	\$ 280,453	\$ 36,590	\$ 317,043	\$ 268,334	\$ 48,709
Cleaning, Repair, and Maintenance Services	74,796	78,765	153,561	97,924	55,637
General Supplies	24,956	14,108	39,064	22,614	16,450
Total Undist. Expend. - Care and Upkeep of Grounds	380,205	129,463	509,668	388,872	120,796
Undist. Expend. - Security:					
Salaries	305,386	17,974	323,360	219,469	103,891
Purchase Professional Technical Services	2,500	(2,500)			
Cleaning Repair and Maintenance	658,432	(225,821)	432,611	333,804	98,807
General Supplies	60,572		60,572	23,140	37,432
Other Objects	100		100	75	25
Total Undist. Expend. - Security	1,026,990	(210,347)	816,643	576,488	240,155
Undist. Expend. - Student Transportation Services:					
Salaries for Pupil Transportation:					
Non-Instructional Aides		3,189	3,189		3,189
Between Home and School - Regular	221,706	1,000	222,706	197,338	25,368
Between Home and School - Special Education	961,528	(251,207)	710,321	543,582	166,739
Other than Between Home and School	271,129	(4,594)	266,535	195,502	71,033
Other Purchased Professional and Technical Services	8,354	(8,354)			
Unused Sick Payment to Terminated/Retired Staff		1,405	1,405	1,405	
Management Fee - ESC & CTSA Transportation Program	45,155	10,688	55,843	49,822	6,021
Cleaning, Repair and Maintenance Services	88,148		88,148	61,844	26,304
Lease Purchase Payments - School Buses	215,617	402,782	618,399	535,069	83,330
Contracted Services:					
Aid in Lieu of Payments for Nonpublic School Students	520,039	(45,039)	475,000	388,114	86,886
Between Home and School - Vendors		2,622	2,622		
Other than Between Home and School - Vendors	54,674	(50,281)	4,393	3,662	731
Special Education Students - Vendors	363,785	(90,142)	273,643	191,425	82,218
Regular Education Students - ESCs & CTSA	280,043	20,847	300,890	273,123	27,767
Special Education Students - ESCs & CTSA	1,169,052	(114,725)	1,054,327	1,025,553	28,774
Miscellaneous Purchased Services - Transportation	57,694	(3,590)	54,104	44,948	9,156
General Supplies	62,554	(915)	61,639	8,946	52,693
Transportation Supplies	30,600	(10,480)	20,120	16,776	3,344
Other Objects	3,000	20,214	23,214	873	22,341
Total Undist. Expend. - Student Transportation Services	4,353,079	(116,581)	4,236,498	3,540,604	695,894

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Unallocated Benefits:					
Social Security Contributions	\$ 1,339,000		\$ 1,339,000	\$ 1,142,760	\$ 196,240
Other Retirement Contribution - PERS	1,364,225	\$ 65,862	1,430,087	1,430,087	
Other Retirement Contribution - Regular	163,568	13,211	176,779	147,937	28,842
Workmen's Compensation	609,386	553,628	1,163,014	487,122	675,892
Health Benefits	13,087,525	1,242,149	14,329,674	10,936,772	3,392,902
Tuition Reimbursement	121,000		121,000	50,820	70,180
Other Employee Benefits	1,991,858	(1,972,554)	19,304	4,061	15,243
Unused Sick Payment to Terminated/ Retired Staff	349,373		349,373	158,883	190,490
Total Unallocated Benefits	19,025,935	(97,704)	18,928,231	14,358,442	4,569,789
ON-BEHALF CONTRIBUTIONS:					
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				3,619,796	(3,619,796)
On-Behalf TPAF Pension Contributions (Non-Budgeted)				11,334,993	(11,334,993)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				215,663	(215,663)
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				6,586	(6,586)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				3,092,264	(3,092,264)
TOTAL ON-BEHALF CONTRIBUTIONS				18,269,302	(18,269,302)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	19,025,935	(97,704)	18,928,231	32,627,744	(13,699,513)
TOTAL UNDISTRIBUTED EXPENDITURES	64,493,560	(619,589)	63,873,971	69,187,852	(5,313,881)
TOTAL GENERAL CURRENT EXPENSE	110,625,111	(760,217)	109,864,894	113,098,825	(3,233,931)
CAPITAL OUTLAY:					
Equipment:					
Regular Programs - Instruction:					
Grades 1-5		17,274	17,274		17,274
Grades 6-8	7,990	4,072	12,062	10,026	2,036
Grades 9-12	24,869	111,290	136,159	70,594	65,565
Learning and/or Language Disabilities		5,317	5,317		5,317
Multiple Disabilities	2,000	(2,000)			
Undistributed:					
Administration Information Technology	228,755	212,678	441,433	261,914	179,519
Required Maint for School Facilities		46,844	46,844	30,458	16,386
Care & Upkeep of Grounds	55,050	11,414	66,464	25,850	40,614
Security	114,711	223,508	338,219	298,480	39,739
School Buses - Special		106,029	106,029	36,245	69,784
Total Equipment	433,375	736,426	1,169,801	733,567	436,234

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY: (Cont'd)					
Facilities Acquisition and Construction Services:					
Construction Services	\$ 5,046,807	\$ (79,989)	\$ 4,966,818	\$ 2,843,105	\$ 2,123,713
Supplies and Materials	4,900		4,900	4,900	
Other Objects - Assessment for Debt Service on SDA Funding	77,256		77,256	77,256	
Total Facilities Acquisition and Construction Services	5,128,963	(79,989)	5,048,974	2,925,261	2,123,713
TOTAL CAPITAL OUTLAY	5,562,338	656,437	6,218,775	3,658,828	2,559,947
SPECIAL SCHOOLS:					
Adult Education - Local Instruction:					
Salaries of Teachers	494,542	(26,326)	468,216	36,878	431,338
Other Salaries for Instruction	302,295		302,295		302,295
Purchased Professional and Technical Services	59,237	23,788	83,025	21,953	61,072
General Supplies	123,825	3,201	127,026	20,704	106,322
Other Objects	169,875	42,026	211,901	50,067	161,834
Total Adult Education - Local Instruction	1,149,774	42,689	1,192,463	129,602	1,062,861
Adult Education - Local Support Services:					
Salaries	620,660	(38,239)	582,421	298,152	284,269
Purchased Professional and Technical Services	35,000		35,000	11,900	23,100
Other Purchased Services	200,510	(4,450)	196,060	114,834	81,226
Other Objects	444,730		444,730	152,031	292,699
Total Equipment	1,300,900	(42,689)	1,258,211	576,917	681,294
TOTAL SPECIAL SCHOOLS	2,450,674		2,450,674	706,519	1,744,155
Transfer of Funds to Charter Schools	83,885	23,791	107,676	107,676	
TOTAL EXPENDITURES	118,722,008	(79,989)	118,642,019	117,571,848	1,070,171
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(13,842,704)	(1,165,616)	(15,008,320)	6,003,703	21,012,023

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Uses:					
Capital Reserve - Transfer to Debt Service Fund	\$ (600,000)		\$ (600,000)	\$ (600,000)	
Capital Contributions - Food Service Fund		\$ (79,989)	(79,989)	(79,989)	
Total Other Financing Uses	<u>(600,000)</u>	<u>(79,989)</u>	<u>(679,989)</u>	<u>(679,989)</u>	
Excess/(Deficit) of Revenues Over/(Under) Expenditures and Other Financing Uses	(14,442,704)	(1,245,605)	(15,688,309)	5,323,714	\$ 21,012,023
Fund Balance, July 1 (As Restated)	33,134,960		33,134,960	33,134,960	
Fund Balance, June 30	<u>\$ 18,692,256</u>	<u>\$ (1,245,605)</u>	<u>\$ 17,446,651</u>	<u>\$ 38,458,674</u>	<u>\$ 21,012,023</u>
Recapitulation:					
Restricted Fund Balance:				\$ 19,256,610	
Capital Reserve				3,890,353	
Maintenance Reserve				602,906	
Emergency Reserve				875,541	
Unemployment Compensation					
Assigned Fund Balance:				1,000,000	
Designated for Subsequent Year's Expenditures				5,870,680	
Year End Encumbrances				6,962,584	
Unassigned Fund Balance				38,458,674	
Reconciliation to Governmental Funds Statement (GAAP):				(648,675)	
Last Two State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				<u>\$ 37,809,999</u>	

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 484,315	\$ 484,315	\$ 278,363	\$ (205,952)
State Sources	\$ 133,352	(68,178)	65,174	42,763	(22,411)
Federal Sources	1,323,520	2,124,257	3,447,777	2,285,771	(1,162,006)
Total Revenues	<u>1,456,872</u>	<u>2,540,394</u>	<u>3,997,266</u>	<u>2,606,897</u>	<u>(1,390,369)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	186,098	126,161	312,259	246,124	66,135
Other Salaries for Instruction		10,000	10,000	1,218	8,782
Purchased Professional and Technical Services		14,548	14,548	7,178	7,370
Tuition	941,321	321,555	1,262,876	1,262,876	
General Supplies	14,978	774,991	789,969	566,638	223,331
Textbooks	5,355	(1,690)	3,665	3,656	9
Other Objects		14,514	14,514	14,514	
Total Instruction	<u>1,147,752</u>	<u>1,260,079</u>	<u>2,407,831</u>	<u>2,102,204</u>	<u>305,627</u>
Support Services:					
Salaries of Other Professional Staff	19,493	577,329	596,822	15,169	581,653
Personal Services - Employee Benefits	30,570	43,772	74,342	25,993	48,349
Purchased Professional/Educational Services	169,478	(45,547)	123,931	21,160	102,771
Purchased Professional/Technical Services	47,447	208,943	256,390	134,328	122,062
Other Purchased Services	6,638	3,862	10,500	10,500	
Supplies	19,312	29,913	49,225	48,359	866
Administrative Costs	16,182	50,729	66,911	19,459	47,452
Student Activities		407,439	407,439	407,439	
Scholarship Fund		3,875	3,875	3,875	
Total Support Services	<u>309,120</u>	<u>1,280,315</u>	<u>1,589,435</u>	<u>686,282</u>	<u>903,153</u>
Total Expenditures	<u>\$ 1,456,872</u>	<u>\$ 2,540,394</u>	<u>\$ 3,997,266</u>	<u>\$ 2,788,486</u>	<u>\$ 1,208,780</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (181,589)</u>	<u>\$ 181,589</u>

FAIR LAWN PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" and Other Financing Sources from the Budgetary Comparison Schedule	\$ 123,575,551	\$ 2,606,897
Difference - Budgetary to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	589,205	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(648,675)</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 123,516,081</u>	<u>\$ 2,606,897</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 117,571,848</u>	<u>\$ 2,788,486</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 117,571,848</u>	<u>\$ 2,788,486</u>

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2021 was submitted to the County office and was approved by a vote of the Board of Education. 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. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

The general fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

FAIR LAWN PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Elementary and Secondary Education Act				IDEA Part B		COVID-19	Coronavirus	
	Title I	Title II Part A	Title III	Title III Immigrant	Title IV	Basic	Preschool	Digital Divide Grant	Relief Fund
REVENUE:									
Local Sources									
State Sources									
Federal Sources	\$ 335,656	\$ 28,843	\$ 60,765	\$ 1,285	\$ 17,857	\$ 1,228,981	\$ 38,095	\$ 223,469	\$ 204,688
Total Revenue	<u>335,656</u>	<u>28,843</u>	<u>60,765</u>	<u>1,285</u>	<u>17,857</u>	<u>1,228,981</u>	<u>38,095</u>	<u>223,469</u>	<u>204,688</u>
EXPENDITURES:									
Instruction:									
Salaries of Teachers	205,073	21,014	20,037						
Other Salaries for Instruction									
Purchased Professional/Technical Services						1,224,781	38,095	223,469	204,688
Tuition	6,399		24,580						
General Supplies									
Textbooks									
Other Objects									
Total Instruction	<u>211,472</u>	<u>21,014</u>	<u>44,617</u>			<u>1,224,781</u>	<u>38,095</u>	<u>223,469</u>	<u>204,688</u>
Support Services:									
Salaries of Other Professional Staff	3,594	3,649	6,732	1,194					
Personal Services - Employee Benefits	20,305	2,738	2,859	91					
Purchased Professional/Educational Services			2,179		10,000	4,200			
Purchased Professional/Technical Services	83,503		2,500		7,500				
Other Purchased Services			1,000						
Supplies									
Administrative Costs	16,782	1,442	878		357				
Student Activities									
Scholarship Fund									
Total Support Services	<u>124,184</u>	<u>7,829</u>	<u>16,148</u>	<u>1,285</u>	<u>17,857</u>	<u>4,200</u>			
Total Expenditures	<u>\$ 335,656</u>	<u>\$ 28,843</u>	<u>\$ 60,765</u>	<u>\$ 1,285</u>	<u>\$ 17,857</u>	<u>\$ 1,228,981</u>	<u>\$ 38,095</u>	<u>\$ 223,469</u>	<u>\$ 204,688</u>

FAIR LAWN PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CARES	COVID-19	CRRSA	Carl Perkins	Local Grants
	Emergency Relief	Nonpublic Digital Divide	ESSER II	Secondary Grant	
	County of Bergen				
REVENUE:					
Local Sources					\$ 48,638
State Sources	\$ 71,747	\$ 2,610	\$ 56,377	\$ 15,398	
Federal Sources					
Total Revenue	71,747	2,610	56,377	15,398	48,638
EXPENDITURES:					
Instruction:					
Salaries of Teachers					1,218
Other Salaries for Instruction					
Purchased Professional/Technical Services					
Tuition					
General Supplies	71,747	2,610	7,738	13,398	12,009
Textbooks			14,514		
Other Objects					
Total Instruction	71,747	2,610	22,252	13,398	13,227
Support Services:					
Salaries of Other Professional Staff					
Personal Services - Employee Benefits					
Purchased Professional/Educational Services			34,125		
Purchased Professional/Technical Services					
Other Purchased Services				2,000	
Supplies					35,411
Administrative Costs					
Student Activities					
Scholarship Fund					
Total Support Services			34,125	2,000	35,411
Total Expenditures	\$ 71,747	\$ 2,610	\$ 56,377	\$ 15,398	\$ 48,638

FAIR LAWN PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Security	Nonpublic Handicapped Services Examination & Classification	Supplemental Instruction	Student Activities	Scholarships	Totals
REVENUE:								
Local Sources								
State Sources	\$ 3,656	\$ 7,178	\$ 12,948	\$ 11,457	\$ 7,524	\$ 227,886	\$ 1,839	\$ 278,363
Federal Sources								42,763
Total Revenue	3,656	7,178	12,948	11,457	7,524	227,886	1,839	2,285,771
EXPENDITURES:								
Instruction:								
Salaries of Teachers								246,124
Other Salaries for Instruction		7,178						1,218
Purchased Professional/Technical Services								7,178
Tuition								1,262,876
General Supplies	3,656							566,638
Textbooks								3,656
Other Objects								14,514
Total Instruction	3,656	7,178						2,102,204
Support Services:								
Salaries of Other Professional Staff								15,169
Personal Services - Employee Benefits								25,993
Purchased Professional/Educational Services				11,457	7,524			21,160
Purchased Professional/Technical Services								134,328
Other Purchased Services								10,500
Supplies			12,948					48,359
Administrative Costs								19,459
Student Activities						407,439		407,439
Scholarship Fund							3,875	3,875
Total Support Services			12,948	11,457	7,524	407,439	3,875	686,282
Total Expenditures	\$ 3,656	\$ 7,178	\$ 12,948	\$ 11,457	\$ 7,524	\$ 407,439	\$ 3,875	\$ 2,788,486

CAPITAL PROJECTS FUND

FAIR LAWN PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Revenue and Other Financing Sources:	
Interest on Investments	\$ 11,198
	<hr/>
Total Revenue and Other Financing Sources	11,198
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	246,434
Construction Services	2,984,040
Other Objects	21,693
Transfer Out to Debt Service Fund:	
Interest on Investments	11,198
Unexpended Balance	237,300
	<hr/>
Total Expenditures	3,500,665
	<hr/>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(3,489,467)
	<hr/>
Fund Balance - Beginning of Year (As Restated)	4,174,053
	<hr/>
Fund Balance - End of Year	\$ 684,586
	<hr/> <hr/>
<u>Recapitulation:</u>	
Restricted	\$ 639,406
Restricted - Year End Encumbrances	45,180
	<hr/>
Total Fund Balance - Budgetary/GAAP Basis	\$ 684,586
	<hr/> <hr/>

FAIR LAWN PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
VARIOUS CAPITAL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 1,723,656		\$ 1,723,656	\$ 1,723,656
Bond Proceeds	10,677,000		10,677,000	9,965,101
Total Revenue and Other Financing Sources	12,400,656		12,400,656	11,688,757
Expenditures:				
Legal Services/Bonding Fees	86,913		86,913	86,913
Purchased Professional and Technical Services	1,078,346		1,078,346	1,078,346
Construction Services	9,915,468		9,915,468	9,915,468
Other Objects	608,030		608,030	608,030
Total Expenditures	11,688,757		11,688,757	11,688,757
Other Financing Uses:				
Operating Transfer - Debt Service Fund		\$ (237,300)	(237,300)	
Excess of Revenue Over Expenditures and Other Financing Uses	\$ 711,899	\$ (237,300)	\$ 474,599	\$ -0-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	12/9/14
Bonds Authorized	\$ 10,677,986
Bonds Issued	\$ 10,647,000
Original Authorized Cost	\$ 12,871,000
Project Balance Cancelled	\$ (1,182,243)
Revised Authorized Cost	\$ 11,688,757
Percentage Decrease over Original Authorized Cost	-9.19%
Percentage Completion	100.00%
Original Target Completion Date	11/16/16
Revised Target Completion Date	11/16/16

FAIR LAWN PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
HIGH SCHOOL AUDITORIUM HVAC SYSTEM & RENOVATIONS AND ADDITIONS TO MIDDLE SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Prior Periods (As Restated)	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 25,000,000		\$ 25,000,000	\$ 25,000,000
Total Revenue and Other Financing Sources	25,000,000		25,000,000	25,000,000
Expenditures and Other Financing Uses:				
Legal Services/Bonding Fees	154,237		154,237	155,000
Purchased Professional and Technical Services	2,247,072	\$ 246,434	2,493,506	2,691,399
Construction Services	18,837,731	2,984,040	21,821,771	21,822,146
Other Objects	298,806	21,693	320,499	331,455
Total Expenditures	21,537,846	3,252,167	24,790,013	25,000,000
Excess of Revenue Over Expenditures	\$ 3,462,154	\$ (3,252,167)	\$ 209,987	\$ -0-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	3/13/18
Bonds Authorized	\$ 25,000,000
Bonds Issued	\$ 25,000,000
Original Authorized Cost	\$ 25,000,000
Additional Authorized Cost	\$ -0-
Project Balance Cancelled	\$ -0-
Revised Authorized Cost	\$ 25,000,000
Percentage Decrease over Original Authorized Cost	0.00%
Percentage Completion	99.16%
Original Target Completion Date	10/1/19
Revised Target Completion Date	6/30/22

PROPRIETARY FUNDS

FAIR LAWN PUBLIC SCHOOLS
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 612,852
Intergovernmental Accounts Receivable:	
State	61,280
Federal	1,334,028
Other Accounts Receivable	19,930
Total Current Assets	<u>2,028,090</u>
Non-Current Assets:	
Capital Assets	860,186
Less: Accumulated Depreciation	<u>(463,741)</u>
Total Non-Current Assets	<u>396,445</u>
Total Assets	<u>2,424,535</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	1,211,931
Unearned Revenue - Prepaid Sales	<u>72,847</u>
Total Current Liabilities	<u>1,284,778</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	396,445
Unrestricted	<u>743,312</u>
Total Net Position	<u>\$ 1,139,757</u>

FAIR LAWN PUBLIC SCHOOLS
ENTERPRISE FUNDS
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 3,300
Other Income	3,317
Special Events	5,986
	12,603
Total Operating Revenue	12,603
Operating Expenses:	
Purchased Services (Including Fixed Price Contract)	3,774,983
Other Purchased Services	26,018
Supplies, Insurance and Other Costs	2,660
Miscellaneous Expenses	85,137
Depreciation Expense	52,073
	3,940,871
Total Operating Expenses	3,940,871
Operating Loss	(3,928,268)
Non-Operating Revenue:	
Local Sources:	
Interest Income	1,298
State Sources:	
COVID-19 Seamless Summer Option	173,457
Federal Sources:	
COVID-19 Seamless Summer Option	4,230,710
Food Distribution Program	68,610
	4,474,075
Total Non-Operating Revenue	4,474,075
Change in Net Position	545,807
Transfer - Capital Contribution - General Fund	79,989
Change in Net Position After Transfer - Capital Contribution	625,796
Net Position - Beginning of Year (as Restated)	513,961
Net Position - End of Year	\$ 1,139,757

FAIR LAWN PUBLIC SCHOOLS
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 30,706
Payments to Food Service Contractor	(2,494,570)
Payments for Suppliers	(135,429)
Net Cash Used for Operating Activities	<u>(2,599,293)</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(10,344)
Net Cash Used for Capital and Related Financing Activities	<u>(10,344)</u>
Cash Flows from Investing Activities:	
Interest Income	1,298
Net Cash Provided by Investing Activities	<u>1,298</u>
Cash Flows from Noncapital Financing Activities:	
State Sources Collected in Food Service Fund	113,321
Federal Sources Collected in Food Service Fund	2,969,076
Net Cash Provided by Noncapital Financing Activities	<u>3,082,397</u>
Net Increase in Cash and Cash Equivalents	474,058
Cash and Cash Equivalents, July 1	<u>138,794</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 612,852</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	\$ (3,928,268)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	52,073
Food Distribution Program	68,610
Changes in Assets and Liabilities:	
Increase in Unearned Revenue	18,103
Increase in Accounts Payable	1,211,931
(Increase) in Other Accounts Receivable	(15,348)
(Decrease) in Interfund Payable	(6,394)
Net Cash Used for Operating Activities	<u><u>\$ (2,599,293)</u></u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$68,610 and utilized U.S.D.A. Commodities valued at \$68,610.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM DEBT

FAIR LAWN PUBLIC SCHOOLS
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance July 1, 2020	Matured	Balance June 30, 2021
			Date	Amount	June 30, 2021				
Refunding Bonds - 2012	5/1/2012	\$ 6,515,000	2/15/2022	\$ 430,000	4.000%	\$ 4,205,000	\$ 420,000	\$ 3,785,000	
			2/15/2023	430,000	4.000%				
			2/15/2024	425,000	4.000%				
			2/15/2025	425,000	4.000%				
			2/15/2026	420,000	4.000%				
			02/15/27	420,000	4.000%				
			02/15/28	415,000	4.000%				
			02/15/29	415,000	3.125%				
			02/15/30	405,000	4.000%				
							7,035,000	705,000	6,330,000
Refunding Bonds - 2014	11/19/2013	9,950,000	2/15/2022	725,000	4.000%				
			2/15/2023	720,000	4.000%				
			2/15/2024	715,000	4.000%				
			2/15/2025	710,000	4.000%				
			2/15/2026	705,000	4.000%				
			02/15/27	700,000	4.000%				
			02/15/28	695,000	4.000%				
			02/15/29	685,000	4.000%				
			02/15/30	675,000	4.000%				
							8,672,000	445,000	8,227,000
Various Improvements	4/21/2016	10,677,000	03/01/22	465,000	2.000%				
			03/01/23	480,000	3.000%				
			03/01/24	500,000	3.000%				
			03/01/25	520,000	3.000%				
			03/01/26	535,000	3.000%				
			03/01/27	555,000	3.000%				
			03/01/28	580,000	3.000%				
			03/01/29	600,000	3.000%				
			03/01/30	620,000	3.125%				
			03/01/31	645,000	3.125%				
		03/01/32	665,000	3.250%					
		03/01/33	675,000	3.250%					
		03/01/34	690,000	3.250%					
		03/01/35	697,000	3.250%					

FAIR LAWN PUBLIC SCHOOLS
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Matured	Balance July 1, 2020	Balance June 30, 2021
			Date	Amount	June 30, 2021				
Various Improvements	1/16/2019	\$ 25,000,000	09/01/21	\$ 695,000		3.125%	\$ 25,000,000	\$ 24,340,000	
			09/01/22	720,000		3.125%			
			09/01/23	750,000		3.125%			
			09/01/24	780,000		3.125%			
			09/01/25	810,000		3.125%			
			09/01/26	845,000		3.125%			
			09/01/27	875,000		3.125%			
			09/01/28	910,000		3.125%			
			09/01/29	950,000		3.125%			
			09/01/30	985,000		3.125%			
			09/01/31	1,025,000		3.125%			
			09/01/32	1,065,000		3.125%			
			09/01/33	1,110,000		3.125%			
			09/01/34	1,155,000		3.125%			
			09/01/35	1,200,000		3.125%			
		09/01/36	1,250,000		3.125%				
		09/01/37	1,295,000		3.250%				
		09/01/38	1,320,000		3.375%				
		09/01/39	1,320,000		3.375%				
		09/01/40	1,320,000		3.500%				
		09/01/41	1,320,000		3.500%				
		09/01/42	1,320,000		3.500%				
		09/01/43	1,320,000		3.500%				
						\$ 660,000	\$ 44,912,000	\$ 42,682,000	

FAIR LAWN PUBLIC SCHOOLS
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Purpose	Interest Rate	Original Issue	Balance July 1, 2020	Matured	Cancellation of Balance due to Early Pay-off
Acquisition of School Bus	2.250%	\$ 68,095	\$ 27,238	\$ 27,136	\$ 102
Acquisition of School Buses (2)	2.750%	243,970	146,382	141,324	5,058
Acc Modular Building	2.600%	154,735	123,788	120,743	3,045
Acquisition of School Bus	2.100%	134,100	134,100	130,122	3,978
Acquisition of School Bus	2.100%	118,985	118,985	115,744	3,241
		<u>\$ 550,493</u>		<u>\$ 535,069</u>	<u>\$ 15,424</u>

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,736,035		\$ 2,736,035	\$ 2,736,035	
State Sources:					
Debt Service Aid Type II	263,875		263,875	263,875	
Total Revenues	2,999,910		2,999,910	2,999,910	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,513,865		1,513,865	1,513,865	
Redemption of Principal	2,230,000		2,230,000	2,230,000	
Total Regular Debt Service	3,743,865		3,743,865	3,743,865	
Total Expenditures	3,743,865		3,743,865	3,743,865	
Deficit of Revenue Under Expenditures	(743,955)		(743,955)	(743,955)	
Other Financing Sources:					
Capital Projects Fund - Capital Projects Cancelled				237,300	\$ 237,300
Capital Projects Fund - Interest Earned				11,198	11,198
Transfer from Capital Reserve	600,000		600,000	600,000	
Total Other Financing Sources	600,000		600,000	848,498	248,498
Excess/(Deficit) of Revenues and Other Financing Sources Over(Under) Expenditures	(143,955)		(143,955)	104,543	248,498
Fund Balance, July 1	430,322		430,322	430,322	
Fund Balance, June 30	\$ 286,367	\$ -0-	\$ 286,367	\$ 534,865	\$ 248,498
Recapitulation:					
Restricted:					
Designated for Subsequent Year's Expenditures				\$ 286,367	
Designated for Future Year's Expenditures				248,498	
				\$ 534,865	

STATISTICAL SECTION

(UNAUDITED)

This part of the District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District’s overall financial health.

Contents

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

FAIR LAWN PUBLIC SCHOOLS
NET POSITION BY COMPONENT,
LAST TEN FISCAL YEARS
ACCURAL BASIS OF ACCOUNTING
UNAUDITED

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020*	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 12,271,881	\$ 12,732,213	\$ 13,405,731	\$ 4,280,067	\$ 14,636,651	\$ 20,463,293	\$ 21,337,572	\$ (883,814)	\$ 18,251,025	\$ 26,301,837
Restricted	6,147,808	6,899,381	6,127,279	20,255,651	15,904,197	11,650,011	15,183,266	41,080,212	18,953,234	26,188,794
Unrestricted/(Deficit)	3,058,399	3,208,465	3,468,025	(24,573,884)	(25,407,383)	(28,002,233)	(29,219,934)	(27,457,784)	(14,043,842)	(18,951,689)
Total Governmental Activities Net Position	\$ 21,478,088	\$ 22,840,059	\$ 23,001,035	\$ (38,166)	\$ 5,133,465	\$ 4,111,071	\$ 7,300,904	\$ 12,738,614	\$ 23,160,417	\$ 33,538,942
Business-type Activities										
Investment in Capital Assets	\$ 24,354	\$ 27,660	\$ 53,235	\$ 45,882	\$ 38,523	\$ 82,056	\$ 102,221	\$ 89,842	\$ 358,185	\$ 396,445
Unrestricted	95,002	55,136	62,190	110,347	127,725	135,890	128,066	140,735	155,776	743,312
Total Business-type Activities Net Position	\$ 119,356	\$ 82,796	\$ 115,425	\$ 156,229	\$ 166,248	\$ 217,946	\$ 230,287	\$ 230,577	\$ 513,961	\$ 1,139,757
District-wide										
Net Investment in Capital Assets	\$ 12,296,235	\$ 12,759,873	\$ 13,458,966	\$ 4,325,949	\$ 14,675,174	\$ 20,545,349	\$ 21,439,793	\$ (793,972)	\$ 18,609,210	\$ 26,698,282
Restricted	6,147,808	6,899,381	6,127,279	20,255,651	15,904,197	11,650,011	15,183,266	41,080,212	18,953,234	26,188,794
Unrestricted/(Deficit)	3,153,401	3,263,601	3,530,215	(24,463,537)	(25,279,658)	(27,866,343)	(29,091,868)	(27,317,049)	(13,888,066)	(18,208,377)
Total District Net Position	\$ 21,597,444	\$ 22,922,855	\$ 23,116,460	\$ 118,063	\$ 5,299,713	\$ 4,329,017	\$ 7,531,191	\$ 12,969,191	\$ 23,674,378	\$ 34,678,699

* - As restated

Source: School District Financial Reports

FAIR LAWN PUBLIC SCHOOLS
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
ACCURAL BASIS OF ACCOUNTING
UNAUDITED

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 34,640,160	\$ 35,721,711	\$ 35,170,956	\$ 34,812,631	\$ 35,819,058	\$ 38,117,291	\$ 37,438,179	\$ 48,065,324	\$ 46,849,896	\$ 55,677,358
Special Education	10,441,444	10,819,496	11,402,396	11,765,414	12,443,461	12,715,896	13,129,926	16,540,953	16,377,808	14,674,477
Other Instruction	3,758,176	4,275,795	4,437,946	4,465,706	4,562,451	4,833,316	4,893,759	6,196,327	5,935,676	5,757,641
Support Services:										
Tuition	4,402,972	4,274,645	4,774,496	5,261,422	5,134,290	5,335,118	5,541,479	5,315,138	5,536,028	6,587,564
Student & Instruction Related Services	11,940,973	12,207,573	12,610,392	12,827,767	13,758,505	15,119,459	15,131,415	19,071,032	17,387,288	14,746,055
School Administrative Services	4,841,844	5,079,808	5,106,683	5,069,822	5,168,391	5,385,839	5,811,903	7,568,442	7,043,671	6,878,733
General Administrative Services	3,577,002	4,115,795	4,006,277	4,103,072	4,416,527	4,620,020	4,838,471	6,171,831	5,643,992	1,283,887
Central Services										1,947,107
Administrative Information Technology										1,357,532
Plant Operations and Maintenance	7,660,728	8,992,963	8,582,067	8,217,671	7,588,176	8,240,814	8,329,177	9,621,846	10,377,335	8,056,730
Pupil Transportation	2,637,157	2,654,605	2,813,841	3,050,624	3,168,343	3,446,392	3,524,337	4,128,775	3,561,612	3,424,197
Special Schools	2,502,784	2,601,832	2,546,808	2,592,270	2,060,396	2,171,074	2,210,842	2,790,394	2,419,087	706,519
Charter Schools	80,792	59,127	61,582	73,101	68,124	47,813	35,800	39,057	70,538	107,676
SDA Debt Service Assessment	55,821	77,256	77,256	77,256	77,256	77,256	77,256	77,256	77,256	77,256
Interest on Long-term Debt	943,014	676,479	582,168	735,627	903,555	871,099	834,542	1,108,332	1,580,028	1,487,149
Total Governmental Activities Expenses	\$ 87,482,867	\$ 91,557,085	\$ 92,172,868	\$ 93,052,383	\$ 95,168,533	\$ 100,981,387	\$ 101,797,146	\$ 126,694,707	\$ 122,860,215	\$ 122,692,625
Business-type Activities:										
Food Service	\$ 1,215,172	\$ 1,134,413	\$ 1,165,252	\$ 1,180,225	\$ 1,218,615	\$ 1,192,192	\$ 1,283,132	\$ 1,453,483	\$ 1,081,748	\$ 3,940,871
Total Business-type Activities Expense	1,215,172	1,134,413	1,165,252	1,180,225	1,218,615	1,192,192	1,283,132	1,453,483	1,081,748	3,940,871
Total District Expenses	\$ 88,698,039	\$ 92,691,498	\$ 93,338,120	\$ 94,232,608	\$ 96,387,148	\$ 102,173,579	\$ 103,080,278	\$ 128,148,190	\$ 123,941,963	\$ 126,633,496
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition	\$ 39,115	\$ 40,324	\$ 42,416	\$ 45,164	\$ 42,578	\$ 41,784	\$ 47,823	\$ 50,027	\$ 38,799	\$ 313,730
Student & Instruction Related Services	1,586,918	1,650,267	1,609,023	1,685,142	1,819,694	1,991,471	2,187,782	2,499,782	1,841,004	227,886
Pupil Transportation	943,015	676,480	582,168	735,627	903,556	871,099	796,196	1,069,596	1,405,364	95,944
Special Schools	12,407,583	14,012,815	13,236,609	12,911,838	13,148,767	13,474,730	13,192,383	37,204,406	33,525,538	33,517,526
Interest on Long Term Debt										
Operating Grants and Contributions	14,976,631	16,379,886	15,470,216	15,377,771	15,914,595	16,379,084	16,224,184	40,823,811	36,810,705	34,155,086
Total Governmental Activities Program Revenues	\$ 39,115	\$ 40,324	\$ 42,416	\$ 45,164	\$ 42,578	\$ 41,784	\$ 47,823	\$ 50,027	\$ 38,799	\$ 313,730
Business-type Activities:										
Charges for Services:										
Food Service	\$ 897,548	\$ 820,309	\$ 854,358	\$ 938,009	\$ 891,362	\$ 926,787	\$ 966,603	\$ 1,089,577	\$ 685,145	\$ 12,603
Operating Grants and Contributions - Food Service	292,055	277,251	312,540	282,864	337,110	316,935	328,432	361,944	408,263	4,472,777
Total Business-type Activities Program Revenues	\$ 1,189,603	\$ 1,097,560	\$ 1,166,898	\$ 1,220,873	\$ 1,228,472	\$ 1,243,722	\$ 1,295,035	\$ 1,451,521	\$ 1,093,408	\$ 4,485,380
Total District Program Revenues	\$ 16,166,234	\$ 17,477,446	\$ 16,637,114	\$ 16,598,644	\$ 17,143,067	\$ 17,622,806	\$ 17,519,219	\$ 42,275,332	\$ 37,904,113	\$ 38,640,466

FAIR LAWN PUBLIC SCHOOLS
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
ACCURAL BASIS OF ACCOUNTING

UNAUDITED
(Continued)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue:										
Governmental Activities	\$ (72,506,236)	\$ (75,177,199)	\$ (76,702,652)	\$ (77,674,612)	\$ (79,253,938)	\$ (84,602,303)	\$ (85,572,962)	\$ (85,870,896)	\$ (86,049,510)	\$ (88,537,539)
Business-type Activities	(25,569)	(36,853)	1,646	40,648	9,857	51,530	11,903	(1,962)	11,660	544,509
Total District-wide Net Expense	<u>\$ (72,531,805)</u>	<u>\$ (75,214,052)</u>	<u>\$ (76,701,006)</u>	<u>\$ (77,633,964)</u>	<u>\$ (79,244,081)</u>	<u>\$ (84,550,773)</u>	<u>\$ (85,561,059)</u>	<u>\$ (85,872,858)</u>	<u>\$ (86,037,850)</u>	<u>\$ (87,993,030)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 73,158,200	\$ 74,548,206	\$ 75,823,913	\$ 77,888,891	\$ 79,519,827	\$ 81,768,743	\$ 86,248,924	\$ 89,318,034	\$ 91,051,016	\$ 92,788,775
Taxes Levied for Debt Service	997,207	1,272,665	742,865	258,354	686,140	691,363	773,154	(100,636)	953,980	2,736,035
Unrestricted Grants and Contributions	223,196	276,951	289,687	495,180	411,673	553,755	967,762	1,164,308	1,872,513	2,788,269
Tuition	501,205	551,375	515,498	392,162	433,008	300,271	300,763			
Investment Earnings	81,979	49,068	22,586	54,880	122,177	90,352	300,133	752,161	848,216	193,246
Miscellaneous Income	231,664	308,824	135,971	207,074	267,401	175,425	172,058	174,740	405,216	489,728
New Jersey Economic Development Authority Grant	(1,231)	(467,619)	(1,046,342)	3,260,394	2,985,343					
Adjustment to Capital Assets	(343,964)		410,000							
Bond Refunding Proceeds	(93,000)		(30,850)							
Transfers										
Transfer - Capital Contributions										(79,989)
Total Governmental Activities	<u>74,755,256</u>	<u>76,539,470</u>	<u>76,863,328</u>	<u>82,556,935</u>	<u>84,425,569</u>	<u>83,579,909</u>	<u>88,762,794</u>	<u>91,308,607</u>	<u>95,130,941</u>	<u>98,916,064</u>
Business-type Activities:										
Investment Earnings	\$ 641	\$ 293	\$ 134	\$ 156	\$ 163	\$ 167	\$ 439	\$ 2,252	\$ 2,351	\$ 1,298
Transfers			30,850							
Transfer - Capital Contributions										79,989
Total Business-type Activities	<u>641</u>	<u>293</u>	<u>30,984</u>	<u>156</u>	<u>163</u>	<u>167</u>	<u>439</u>	<u>2,252</u>	<u>2,351</u>	<u>81,287</u>
Total District-wide	<u>\$ 74,755,897</u>	<u>\$ 76,539,763</u>	<u>\$ 76,894,312</u>	<u>\$ 82,557,091</u>	<u>\$ 84,425,732</u>	<u>\$ 83,580,076</u>	<u>\$ 88,763,233</u>	<u>\$ 91,310,859</u>	<u>\$ 95,133,292</u>	<u>\$ 98,997,351</u>
Change in Net Position										
Governmental Activities	\$ 2,249,020	\$ 1,362,271	\$ 160,676	\$ 4,882,323	\$ 5,171,631	\$ (1,022,394)	\$ 3,189,832	\$ 5,437,711	\$ 9,081,431	\$ 10,378,525
Business-type Activities	(24,928)	(36,560)	32,630	40,804	10,020	51,697	12,342	290	14,011	625,796
Total District	<u>\$ 2,224,092</u>	<u>\$ 1,325,711</u>	<u>\$ 193,306</u>	<u>\$ 4,923,127</u>	<u>\$ 5,181,651</u>	<u>\$ (970,697)</u>	<u>\$ 3,202,174</u>	<u>\$ 5,438,001</u>	<u>\$ 9,095,442</u>	<u>\$ 11,004,321</u>

Source: School District Financial Reports

FAIR LAWN PUBLIC SCHOOLS
FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020*	2021
General Fund										
Restricted	\$ 2,016,787	\$ 3,306,382	\$ 4,525,671	\$ 4,397,715	\$ 6,356,885	\$ 7,048,718	\$ 10,736,858	\$ 13,173,242	\$ 18,213,443	\$ 24,625,410
Assigned	6,003,451	5,349,036	3,227,791	3,094,911	4,456,844	4,189,994	4,280,700	7,527,975	11,567,947	6,870,680
Unassigned	2,111,659	2,284,477	2,868,453	3,023,835	2,946,275	3,176,842	2,807,118	2,881,514	2,764,365	6,313,909
Total General Fund	\$ 10,131,897	\$ 10,939,895	\$ 10,621,915	\$ 10,516,461	\$ 13,760,004	\$ 14,415,554	\$ 17,824,676	\$ 23,582,731	\$ 32,545,755	\$ 37,809,999
All Other Governmental Funds										
Restricted	\$ 2,216	\$ 32,497	\$ 120,137	\$ 5,047,607	\$ 2,209,965	\$ 1,896,777	\$ 1,766,869	\$ 2,520,953	\$ 2,021,582	\$ 1,563,384
Assigned				9,545,510	4,699,194	321,447	189,727	21,275,335	3,108,315	
Total All Other Governmental Funds	\$ 2,216	\$ 32,497	\$ 120,137	\$ 14,593,117	\$ 6,909,159	\$ 2,218,224	\$ 1,956,596	\$ 23,796,288	\$ 5,129,897	\$ 1,563,384
Total Governmental Funds	\$ 10,134,113	\$ 10,972,392	\$ 10,742,052	\$ 25,109,578	\$ 20,669,163	\$ 16,633,778	\$ 19,781,272	\$ 47,379,019	\$ 37,675,652	\$ 39,373,383

* - As restated.

Source: School District Financial Reports

FAIR LAWN PUBLIC SCHOOLS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 75,098,422	\$ 76,497,350	\$ 77,148,946	\$ 78,882,872	\$ 81,109,522	\$ 83,331,205	\$ 87,818,274	\$ 90,286,995	\$ 93,410,361	\$ 95,524,810
Tuition Charges	501,205	551,374	515,498	392,162	433,009	300,271	300,763	340,933	329,482	313,730
Transportation Fees from LEAs	39,115	40,324	42,417	45,164	42,578	41,784	47,823	50,028	38,798	38,798
Interest Earnings	1,996,152	2,059,460	1,790,179	1,936,464	2,130,969	2,336,202	2,407,005	2,909,522	2,165,986	47,524
Miscellaneous	10,800,944	12,700,088	12,053,965	11,668,227	11,815,445	12,168,792	12,461,816	22,368,810	24,076,951	961,119
State Sources	1,652,265	1,489,309	1,427,146	1,694,543	1,701,120	1,690,387	1,651,165	1,671,374	1,864,315	2,341,301
Federal Sources	90,170,082	93,386,974	93,000,737	94,674,312	97,354,820	99,958,993	104,986,979	118,379,822	122,734,109	129,134,086
Total Revenue										
Expenditures										
Instruction										
Regular Instruction	24,983,714	25,456,340	25,325,033	26,050,512	25,954,458	26,880,045	26,693,485	28,118,004	29,472,096	32,446,373
Special Education Instruction	7,869,881	8,010,794	8,553,729	9,115,351	9,381,061	9,314,439	9,711,778	10,097,091	10,578,463	9,181,054
Other Special Instruction	2,779,477	3,123,750	3,286,458	3,374,071	3,439,297	3,540,498	3,615,467	3,732,685	3,814,233	3,579,431
Support Services:										
Tuition	4,402,972	4,274,644	4,774,496	5,261,422	5,134,290	5,335,118	5,541,479	5,315,138	5,536,028	6,587,564
Student & Other Instruction Related Services	9,060,818	9,108,040	9,601,713	9,981,286	10,414,047	11,231,373	11,507,741	12,054,284	11,794,551	12,306,444
School Administrative Services	3,499,950	3,571,872	3,643,695	3,745,928	3,806,874	3,829,819	4,192,198	4,351,319	4,357,450	4,308,603
General Administrative Services	2,836,084	3,273,028	3,208,206	3,314,628	3,622,293	3,710,081	3,918,149	4,277,562	3,919,847	1,014,227
Central Services										
Administrative Information Technology										
Plant Operations and Maintenance	6,378,196	7,726,025	7,479,566	7,234,783	6,577,385	7,113,896	7,190,404	7,557,721	8,543,879	12,144,761
Student Transportation	2,098,277	2,188,114	2,346,791	2,574,591	2,538,882	2,746,973	2,861,312	3,104,567	2,698,560	7,467,736
Unallocated Benefits	19,284,568	20,671,737	19,632,166	17,840,268	18,928,909	19,776,309	21,020,713	29,169,534	28,042,465	3,540,604
Special Schools	2,014,651	2,068,562	2,053,007	2,124,550	1,695,518	1,743,801	1,775,260	1,921,467	1,718,367	32,627,744
Transfer of Funds to Charter School	80,792	59,127	61,582	73,101	68,124	47,813	35,860	39,057	70,519	706,519
Capital Outlay	449,873	1,092,953	1,387,246	2,026,833	8,054,140	6,544,444	1,540,061	3,641,330	20,143,864	107,676
Debt Service:										
Principal	1,039,255	1,160,817	1,222,458	875,000	1,265,000	1,365,000	1,385,000	1,440,000	1,500,000	6,910,995
Interest and Other Charges	907,619	762,892	627,080	648,856	914,957	882,865	850,577	806,928	1,645,680	2,230,000
Total Expenditures	87,686,127	92,548,695	93,203,226	94,241,180	101,795,235	104,062,474	101,839,484	115,626,687	133,836,021	127,356,366
Excess/(Deficit) of Revenues Over/(Under) Expenditures	2,483,955	838,279	(202,489)	433,132	(4,440,415)	(4,103,481)	3,147,495	2,753,135	(11,101,912)	1,777,720

FAIR LAWN PUBLIC SCHOOLS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS

MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED
(Continued)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing Sources/(Uses)										
N.J.S.D.A. Grants	\$ (1,230)			\$ 3,260,394		\$ 68,095		\$ (469,358)	\$ (249,248)	
Capital Leases (non-budgeted)				10,677,000				243,970	407,820	
Serial Bond Proceeds								25,000,000		
Transfers In	8,777	\$ 1,974	\$ 600,000	2,110,993	\$ 527,883	608,098	\$ 611,671	1,375,088	984,665	\$ 848,498
Transfers Out	(8,777)	(1,974)	(630,850)	(2,110,993)	(527,883)	(608,098)	(611,671)	(1,375,088)	(984,665)	(848,498)
Capital Contributions - Food Service Fund										
Total Other Financing Sources/(Uses)	(1,230)		(30,850)	13,937,394		68,095		24,774,612	158,572	(79,989)
Net Change in Fund Balances	\$ 2,482,725	\$ 838,279	\$ (233,339)	\$ 14,370,526	\$ (4,440,415)	\$ (4,035,386)	\$ 3,147,495	\$ 27,527,747	\$ (10,943,340)	\$ 1,697,731
Debt Service as a Percentage of Noncapital Expenditures	2.23%	2.10%	2.01%	1.65%	2.33%	2.31%	2.23%	2.01%	2.77%	3.11%

Source: School District Financial Reports

FAIR LAWN PUBLIC SCHOOLS
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Transportation		Child/ Adult Programs	Rentals	Refund of Prior Year Expenditures	Miscellaneous		Total
			Fees							
2012	\$ 81,065	\$ 501,205	\$ 39,115	\$ 1,644,973	\$ 110,194	\$	61,708	\$ 2,438,260		
2013	49,069	551,374	40,324	1,650,267	117,225		188,727	2,596,986		
2014	22,586	515,498	42,417	1,609,023	36,955		67,776	2,294,255		
2015	44,957	392,162	45,164	1,685,142	6,147		200,927	2,374,499		
2016	94,294	433,009	42,578	1,819,694			267,401	2,656,976		
2017	82,254	300,271	41,784	1,991,472			175,425	2,591,206		
2018	288,462	300,763	47,823	2,187,782			172,058	2,996,888		
2019	608,206	340,933	50,028	2,499,781			303,165	3,802,113		
2020	561,849	329,483	38,798	2,473,304			305,236	3,708,670		
2021	193,246	313,730		95,944		\$ 373,587	56,305	1,032,812		

Source: School District Financial Reports

FAIR LAWN PUBLIC SCHOOLS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY.
 LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
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	\$ 1.47	\$ 5,093,674,514
2012	** 30,421,800	3,301,846,100	458,062,200	206,415,400	135,390,800	4,132,136,300	1,000,000	4,133,136,300	1.83	4,513,685,965
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	1.86	4,540,063,262
2014	22,706,500	3,311,604,600	466,325,300	203,460,800	134,921,200	4,139,018,400	941	4,139,019,341	1.89	4,428,212,069
2015	12,589,500	3,318,936,900	498,705,500	201,810,800	134,921,200	4,166,963,900	926	4,166,964,826	1.92	4,526,605,525
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	1.80	4,641,094,795
2017	13,370,300	3,340,673,200	502,687,100	203,678,900	134,621,200	4,195,030,700	885	4,195,031,585	2.04	4,768,965,051
2018	18,573,200	3,352,911,500	500,578,700	204,925,300	134,621,200	4,211,609,900	840	4,211,610,740	2.11	5,094,484,812
2019	23,854,900	3,367,452,900	496,056,100	204,844,600	134,621,200	4,226,829,700	827	4,226,830,527	2.17	5,114,103,907
2020	21,173,100	3,401,156,900	492,311,000	204,094,600	134,621,200	4,253,356,800		4,253,356,800	2.22	5,270,522,364

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100 of assessed value.

** Reassessment became effective in this year.

Source: Municipal Tax Assessor

FAIR LAWN PUBLIC SCHOOLS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation		Municipality	County	
		Debt Service ^b	Total Direct			
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	1.810	0.046	1.856	0.879	0.253	2.988
2014	1.840	0.045	1.885	0.886	0.255	3.026
2015	1.883	0.037	1.920	0.897	0.264	3.081
2016	1.752	0.052	1.804	0.870	0.238	2.912
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	2.120	0.053	2.173	0.901	0.294	3.368
2020	2.147	0.074	2.221	0.901	0.308	3.430

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

** Reassessment became effective in this year.

Source: Municipal Tax Collector and School Business Administrator

FAIR LAWN PUBLIC SCHOOLS
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2020		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Fair Lawn Promenade, LLC	\$ 51,573,600	1	1.21%
Fair Lawn Estates Assoc.	44,202,700	2	1.04%
Fair Lawn Associates c/o Affiliated Management	34,589,000	3	0.81%
Mondelez Global, LLC	29,319,600	4	0.69%
Columbia Savings Bank	21,968,800	5	0.52%
Bon-Marc Realty	17,964,900	6	0.42%
HY'2 Route 208, LLC	17,594,900	7	0.41%
Fairlawn Industries, LP	17,044,300	8	0.40%
Sandvik	16,500,000	9	0.39%
Oster Fair Lawn Properties	12,873,100	10	0.30%
Total	<u>\$ 263,630,900</u>		<u>6.20%</u>

Taxpayer	2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Fair Lawn Estates Assoc.	\$ 46,515,900	1	0.92%
Fair Lawn Associates c/o Affiliated Management	32,700,000	2	0.65%
Nabisco	30,000,000	3	0.59%
Columbia Savings Bank	25,439,000	4	0.50%
Bon-Marc Realty	21,197,000	5	0.42%
17-17 Realty Associates	20,199,400	6	0.40%
Fairlawn Industries, LP	18,364,200	7	0.36%
Prime Hospitality Corp.	17,500,000	8	0.35%
CK Bergen Holdings, LLC	14,821,800	9	0.29%
Bernand Oster, Inc.	14,628,400	10	0.29%
	<u>\$ 241,365,700</u>		<u>4.77%</u>

Note: A reassessment was effective in 2012.

Source: Municipal Tax Assessor

FAIR LAWN PUBLIC SCHOOLS
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST FISCAL YEAR
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2021	\$ 95,524,810	\$ 95,524,810	100.00%	-0-

Note: Information for the fiscal years 2012 - 2020 is not presented as this information is not available.

Source: School District of the Borough of Fairlawn records including the Certificate and Report of School Taxes (A4F form)

- a. School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

FAIR LAWN PUBLIC SCHOOLS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities										Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Obligations Under			Bond Anticipation Notes (BANs)	Business-Type Activities		Capital Leases	Total District	Percentage of Personal Income ^a			
		Loans	Lease-Purchase Agreement										
2012	\$ 19,765,000	\$ 93,275	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 19,858,275	0.88%	\$ 607.86			
2013	18,650,000	47,458	-0-	-0-	-0-	-0-	-0-	18,697,458	0.79%	570.91			
2014	17,065,000	-0-	-0-	-0-	-0-	-0-	-0-	17,065,000	0.72%	519.59			
2015	26,867,000	-0-	-0-	-0-	-0-	-0-	-0-	26,867,000	1.10%	816.87			
2016	25,602,000	-0-	-0-	-0-	-0-	-0-	-0-	25,602,000	1.00%	773.80			
2017	24,237,000	-0-	68,095	-0-	-0-	-0-	-0-	24,305,095	0.93%	735.49			
2018	22,852,000	-0-	54,476	-0-	-0-	-0-	-0-	22,906,476	0.85%	691.89			
2019	46,412,000	-0-	236,033	-0-	-0-	-0-	-0-	46,648,033	1.64%	1,414.18			
2020	44,912,000	-0-	550,493	-0-	-0-	-0-	-0-	45,462,493	1.55%	1,382.17			
2021	42,682,000	-0-	-0-	-0-	-0-	-0-	-0-	42,682,000	1.45%	1,298.23			

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Source: School District Financial Reports

FAIR LAWN PUBLIC SCHOOLS
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 19,765,000	\$ -0-	\$ 19,765,000	0.39%	\$ 605.01
2013	18,650,000	-0-	18,650,000	0.45%	569.47
2014	17,065,000	-0-	17,065,000	0.41%	519.59
2015	26,867,000	-0-	26,867,000	0.65%	816.87
2016	25,602,000	-0-	25,602,000	0.61%	773.80
2017	24,237,000	-0-	24,237,000	0.58%	733.43
2018	22,852,000	-0-	22,852,000	0.54%	690.25
2019	46,412,000	-0-	46,412,000	1.10%	1,407.02
2020	44,912,000	-0-	44,912,000	1.06%	1,365.44
2021	42,682,000	-0-	42,682,000	1.00%	1,298.23

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: School District Financial Reports

FAIR LAWN PUBLIC SCHOOLS
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Borough of Fair Lawn	\$ 35,284,020	100.000%	\$ 35,284,020
Bergen County General Obligation Debt	954,754,121	2.796%	<u>26,691,675</u>
Subtotal, Overlapping Debt			61,975,695
Fair Lawn Public Schools Direct Debt			<u>44,252,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 106,227,695</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Bergen County Board of Taxation; debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Fair Lawn. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of another governmental unit's equalized property value that is within the district's boundaries and dividing it by each unit's total equalized property value.

FAIR LAWN PUBLIC SCHOOLS
LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS
UNAUDITED

		Legal Debt Margin Calculation for Fiscal Year 2021									
		Fiscal Year Ended June 30,									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit		\$ 200,307,829	\$ 191,946,457	\$ 183,181,602	\$ 178,308,013	\$ 179,500,688	\$ 183,937,189	\$ 190,919,954	\$ 197,569,779	\$ 203,997,271	\$ 209,285,896
Total Net Debt Applicable to Limit		19,858,275	18,697,458	17,065,000	26,867,000	25,602,000	24,237,000	22,852,000	46,412,000	44,912,000	42,682,000
Legal Debt Margin		\$ 180,449,554	\$ 173,248,999	\$ 166,116,602	\$ 151,441,013	\$ 153,898,688	\$ 159,700,189	\$ 168,067,954	\$ 151,157,779	\$ 159,085,271	\$ 166,603,896
Total Net Debt Applicable to the Limit		9.91%	9.74%	9.32%	15.07%	14.26%	13.18%	11.97%	23.49%	22.02%	20.39%
As a Percentage of Debt Limit											

		Legal Debt Margin Calculation for Fiscal Year 2021									
		Fiscal Year Ended June 30,									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Equalized valuation basis											
	2020									\$ 5,390,136,611	
	2019									5,211,821,622	
	2018									5,094,483,972	
										<u>\$ 15,696,442,205</u>	
Average Equalized Valuation of Taxable Property										\$ 5,232,147,402	
Debt Limit (4% of average equalization value)										\$ 209,285,896	
Net Bonded School Debt										42,682,000	
Legal Debt Margin										<u>\$ 166,603,896</u>	

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

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

FAIR LAWN PUBLIC SCHOOLS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Borough of Fair Lawn Income Personal Income ^b	Bergen County Per Capita Personal Income ^c	Unemployment Rate ^d
2011	32,669	\$ 2,255,990,464	\$ 69,056	8.10%
2012	32,750	2,363,371,000	72,164	8.10%
2013	32,843	2,354,810,257	71,699	10.10%
2014	32,890	2,449,647,200	74,480	7.00%
2015	33,086	2,572,998,962	77,767	6.50%
2016	33,046	2,624,083,722	79,407	5.29%
2017	33,107	2,704,047,332	81,676	4.50%
2018	32,986	2,850,122,344	86,404	4.20%
2019	32,892	2,942,386,752	89,456	3.80%
2020	32,877	2,941,044,912 ***	89,456 *	8.90%
2021	32,877 **	2,941,044,912 ***	89,456 *	N/A

* - Latest Bergen County per capita personal income available (2019) was used for calculation purposes.

** - Latest population data available (2020) was used for calculation purposes.

*** - Latest available population data (2020) and latest available Bergen County per capita personal income (2019) was used for calculation purposes.

N/A - Information not available

Sources:

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

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

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

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

FAIR LAWN PUBLIC SCHOOLS
PRINCIPAL EMPLOYERS, COUNTY OF BERGEN
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Information is not Available for 2021 or 2011

FAIR LAWN PUBLIC SCHOOLS
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</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>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	277	304	304	328	357	359	302	303	314	327
Special education	59	70	97	110	122	123	102	133	113	149
Other instruction	40	28	20	20	20	20	35	41	43	43
Support Services:										
Student & instruction related services	12	12	12	12	12	12	111	137	233	129
School administrative services	68	68	68	68	68	68	37	38	38	37
General administrative services	45	45	45	45	45	45	14	13	2	3
Central Services	5	5	5	5	5	5	4	4	15	15
Administrative information technology	6	6	6	6	6	6	11	13	15	14
Plant operations and maintenance	51	44	39	34	32	31	42	41	39	28
Pupil transportation	5	3	5	5	5	5	18	23	18	8
Special Schools							21	11	8	8
Total	568	585	601	633	672	674	697	757	838	761

Source: School District of the Borough of Fair Lawn Personnel Records

FAIR LAWN PUBLIC SCHOOLS
OPERATING STATISTICS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year End June 30,	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^e	Average Daily Attendance (ADA) ^e	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary ^c	Middle School ^c	Senior High School				
2012	4,585	\$ 85,288,381	\$ 18,581	2.82%	504	18.3	11.6	14.4	4,585.0	4,404.8	-3.27%	95.85%
2013	4,849	88,532,034	18,258	13.10%	518	15.4	11.8	13.7	4,849.0	4,455.4	-1.82%	95.84%
2014	4,677	88,888,442	18,238	3.83%	522	18.8	10.2	13.3	4,677.0	4,481.0	1.78%	95.81%
2015	4,717	80,880,481	18,225	-0.17%	508	18.7	8.3	13.1	4,717.4	4,540.8	1.47%	98.28%
2016	4,777	81,581,138	18,168	-0.35%	488	12.3	9.4	11.8	4,777.2	4,593.4	2.14%	98.15%
2017	4,875	95,270,184	19,543	1.65%	501	11.8	11.3	13.2	4,875.0	4,868.7	3.34%	95.73%
2018	5,009	103,708,032	20,702	8.01%	478	12.7	13.1	18.8	4,841.5	4,732.7	3.44%	95.77%
2019	5,119	108,738,429	21,440	9.71%	567	10.4	10.2	13.1	5,085.5	4,887.4	4.32%	88.10%
2020	5,257	110,548,478	20,880	1.38%	540	8.9	8.8	10.4	5,247.5	5,112.3	8.18%	97.42%
2021	5,298	116,701,506	22,027	5.50%	585	8.9	8.4	10.1	5,241.7	5,114.4	0.11%	97.57%

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil calculations.
- e The Elementary School is PreK through 4th grades and the Middle School is 5th through 8th grades.

Source: School District of the Borough of Fair Lawn records

FAIR LAWN PUBLIC SCHOOLS
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
Henry B Milnes (1951)										
Square Feet	42,907	42,907	42,907	42,907	47,880	47,880	47,880	47,880	47,880	47,020
Capacity	395	395	395	395	395	395	395	395	395	414
Enrollment	382	393	417	428	453	501	477	500	520	419
John A Forrest										
Square Feet	40,013	40,013	40,013	40,013	46,400	46,400	46,400	46,400	46,400	42,515
Capacity	286	286	286	286	286	286	286	286	286	291.6
Enrollment	280	284	298	277	270	292	286	286	324	260
Lyncrest (1952)										
Square Feet	24,793	24,793	24,793	24,793	27,937	27,937	27,937	27,937	27,937	27,811
Capacity	234	234	234	234	234	234	234	234	234	207
Enrollment	221	219	225	231	233	232	251	261	255	210
Radburn (1933)										
Square Feet	46,806	46,806	46,806	46,806	51,740	51,740	51,740	51,740	51,740	52,300
Capacity	351	351	351	351	351	351	351	351	351	351.9
Enrollment	359	365	435	448	457	480	457	455	460	350
Warren Point (1922)										
Square Feet	44,174	44,174	44,174	44,174	39,945	39,945	39,945	39,945	39,945	49,656
Capacity	466	466	466	466	466	466	466	466	466	399.6
Enrollment	434	405	394	405	416	427	461	471	489	410
Westmoreland (1958)										
Square Feet	24,971	24,971	24,971	24,971	29,517	46,068	46,068	46,068	46,068	46,345
Capacity	246	246	246	246	246	324	324	324	324	315
Enrollment	356	350	373	362	384	291	310	401	346	298
<u>Middle School</u>										
Thomas Jefferson School (1953)										
Square Feet	103,958	103,958	103,958	103,958	94,139	94,139	94,139	94,139	94,139	124,910
Capacity	662	662	662	662	662	662	662	662	662	1,039.2
Enrollment	680	634	640	661	680	707	724	737	751	1,037
Memorial Middle School (1958)										
Square Feet	78,323	78,323	78,323	78,323	94,560	94,560	94,560	94,560	94,560	105,081
Capacity	466	466	466	466	466	466	466	466	466	735
Enrollment	463	443	450	463	485	464	426	457	464	639

FAIR LAWN PUBLIC SCHOOLS
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>High School</u>										
Fair Lawn High School (1943)										
Square Feet	244,339	244,339	244,339	244,339	243,066	243,066	243,066	243,066	243,066	250,402
Capacity	1,637	1,637	1,637	1,637	1,637	1,637	1,637	1,637	1,637	1,819
Enrollment	1,522	1,493	1,478	1,469	1,451	1,447	1,479	1,486	1,534	1,553
<u>Other</u>										
Edison School (1955)										
Square Feet	47,335	47,335	47,335	47,335	47,335	47,335	47,335	47,335	47,335	37,839
Capacity	9	9	9	9	9	9	9	9	9	96
Enrollment					85	70	67	70	73	66

Number of Schools at June 30, 2021
 Elementary = 6
 Middle School = 2
 High School = 1
 Other = 1

Note: Enrollment is based on the annual October district count.

Source: School District of Fair Lawn Facilities Office

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

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

Fiscal Year Ended June 30,	Total	Thomas					Henry B. Milnes	Westmoreland	Radburn	Warren Point	John A. Forrest	Lyncerest	Edison School
		Fair Lawn High School	Jefferson Middle School	Memorial Middle School									
2012	\$ 1,235,641	\$ 429,290	\$ 156,394	\$ 157,093	\$ 83,252	\$ 49,037	\$ 92,079	\$ 66,361	\$ 77,085	\$ 46,412	\$ 78,638		
2013	1,882,336	633,245	245,255	246,352	124,739	76,899	134,795	104,066	120,883	72,783	123,319		
2014	1,604,976	539,791	209,060	209,995	106,330	65,550	114,902	88,708	103,043	62,041	105,120		
2015	1,411,835	474,962	183,952	184,774	93,560	57,678	101,102	78,054	90,668	54,590	92,495		
2016	1,271,092	427,614	165,614	166,355	84,233	51,928	91,024	70,273	81,629	49,148	83,274		
2017	1,324,420	445,141	172,402	173,173	87,685	54,056	94,754	73,154	84,975	51,163	86,687		
2018	1,263,000	415,258	160,828	161,548	81,799	78,703	88,393	68,243	79,270	47,728	80,868		
2019	1,201,301	395,085	153,016	153,700	77,825	74,880	84,099	64,928	75,420	45,409	76,939		
2020	1,281,720	428,457	164,990	146,581	84,399	81,205	91,203	70,412	81,790	49,245	83,438		
2021	1,174,530	375,191	187,160	157,449	70,453	69,441	78,364	74,401	63,703	41,671	56,696		

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

Source: School District of Fair Lawn records

FAIR LAWN PUBLIC SCHOOLS
INSURANCE SCHEDULE
JUNE 30, 2021
UNAUDITED

	<u>Coverage</u>		<u>Deductible</u>
Utica National Insurance Group:			
School Package Policy:			
Blanket Building and Contents	\$ 186,587,552		\$ 5,000
Extra Expense	1,000,000		
Earthquake	10,000,000		
Flood	10,000,000		
Commercial Liability:			
Bodily Injury and Property Damage	1,000,000	each occurrence	
Fire Legal Liability	1,000,000		
Sexual Misconduct	1,000,000/3,000,000		
Medical Expense	10,000		
Employee Benefits Liability	1,000,000/3,000,000		
Crime:			
Depositors Forgery	100,000		
Employee Dishonesty	500,000		
Money and Securities	25,000	inside/outside	
Automobile	1,000,000		
School Board Legal Liability	1,000,000/3,000,000		7,500
Umbrella	20,000,000		
Environmental Liability - Beazley	1,000,000	each loss	10,000
Firemen's Fund:			
Catastrophe Access Plan	25,000,000		
Educational Risk Insurance Connection - North (NJ School Boards Insurance Group):			
Workers Compensation	2,000,000		
Bollinger Insurance Company:			
Student Accident Insurance	6,000,000		
Surety Bonds:			
Board Secretary/Business Administrator	80,000		
Treasurer of School Moneys	500,000		
Flood:			
Memorial School Building /Contents	500,000		5,000
Cyber Lloyds			
Unit of Liability	1,000,000	Each Claim	
Retention	10,000		

Source: School District of Fair Lawn records

SINGLE AUDIT SECTION

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 Auditors' Report

The Honorable President and Members
of the Board of Education
Fair Lawn Public Schools
County of Bergen, New Jersey

We have audited, in accordance with the 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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Fair Lawn Public School District, in the County of Bergen (the "District") as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 23, 2021.

Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members
of the Board of Education
Fair Lawn Public Schools
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 23, 2021
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

Report on Compliance For Each Major Federal and State Program
and Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Fair Lawn Public Schools
County of Bergen, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Fair Lawn Public School District (the "District's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 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 or state program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2021.

The Honorable President and Members
of the Board of Education
Fair Lawn Public Schools
Page 2

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. 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 that the testing based on the requirements of the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

November 23, 2021
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2020			Cash Received	Balance at June 30, 2021			
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Budgetary Expenditures		Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amounts Provided to Subrecipients	
<u>U.S. Department of Agriculture:</u>												
<u>Passed-through State Department of Agriculture:</u>												
Child Nutrition Cluster:												
Food Distribution Program	10.555	N/A	7/1/20-6/30/21	\$ 68,610	\$		\$ 68,610	\$	(68,610)			
National School Lunch Program	10.555	N/A	7/1/19-6/30/20	328,209	\$	(72,394)	72,394					
COVID 19 - Seamless Summer Option	10.555	N/A	7/1/20-6/30/21	4,230,710			2,896,682		(4,230,710)		\$ (1,334,028)	
Total U.S. Department of Agriculture						(72,394)	3,037,686		(4,299,320)		(1,334,028)	
<u>U.S. Department of Education:</u>												
<u>Special Revenue Fund:</u>												
Passed-through State Department of Education:												
Elementary and Secondary Education Act:												
Title I	84.010	ESEA359020	7/1/19-9/30/20	298,199		(111,719)	111,719					
Title I	84.010	ESEA359021	7/1/20-9/30/21	350,343			274,605		(335,656)		(61,051)	
Title I/A	84.367	ESEA359020	7/1/19-9/30/20	73,421		(30,799)	30,799		(28,843)		(6,646)	
Title I/A	84.367	ESEA359021	7/1/20-9/30/21	102,116			22,197		(28,843)		(6,646)	
Total Title II						(30,799)	52,996					
Title III	84.365	ESEA359020	7/1/19-9/30/20	52,322		(15,389)	15,389					
Title III	84.365	ESEA359021	7/1/20-9/30/21	63,646			39,089		(60,765)		(21,676)	
Total Title III						(15,389)	54,478		(60,765)		(21,676)	
Title III - Immigrant	84.365	ESEA359020	7/1/19-9/30/20	11,374		(6,283)	6,283					
Title III - Immigrant	84.365	ESEA359021	7/1/20-9/30/21	1,392			1,194		(1,285)		(91)	
Total Title III - Immigrant						(6,283)	7,477		(1,285)		(91)	
Title IV	84.424	ESEA359020	7/1/19-9/30/20	18,537		(371)	371					
Title IV	84.424	ESEA359021	7/1/20-9/30/21	21,965			17,500		(17,857)		(357)	
Total Title IV						(371)	17,871		(17,857)		(357)	
Total Elementary and Secondary Education Act						(164,561)	519,146		(444,406)		(89,821)	
Education Stabilization Fund:												
COVID-19 - CARES Emergency Relief	84.425D	CARES359020	3/13/20-9/30/22	239,157		(236,844)	236,844					
COVID-19 - Digital Divide	84.425D	S425D200027	7/16/20-10/31/20	223,469			223,469		(223,469)			
COVID-19 - Non-Public Digital Divide	84.425D	S425D200027	7/16/20-10/31/20	2,610			2,610		(2,610)			
COVID-19 - CRRSA - ESSER II	84.425D	S425D200027	3/13/20-9/30/23	980,337			14,514		(56,377)		(41,863)	
Total Education Stabilization Fund						(236,844)	477,437		(282,456)		(41,863)	
Special Education Cluster:												
I.D.E.A. Part B, Basic	84.027	IDEA359020	7/1/19-9/30/20	1,162,308		(7,150)	7,150					
I.D.E.A. Part B, Basic	84.027	IDEA359021	7/1/20-9/30/21	1,248,680			1,227,681		(1,228,981)		(1,300)	
I.D.E.A. Preschool	84.173	IDEA359021	7/1/20-9/30/21	38,095			38,095		(38,095)			
Total Special Education Cluster (IDEA)						(7,150)	1,272,926		(1,267,076)		(1,300)	

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expenditures	Balance at June 30, 2021	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue			Budgetary Accounts Receivable	Budgetary Unearned Revenue
U.S. Department of Education: (Continued)										
Special Revenue Fund: (Continued)										
Passed-through State Department of Education: (Continued)										
Carl D. Perkins - Secondary	84.048	PERK359021	7/1/20-6/30/21	\$ 15,398			\$ 12,436	\$ (15,398)	\$ (2,962)	
Total U.S. Department of Education					\$ (408,555)		2,281,945	(2,009,336)	(135,946)	
U.S. Department of Treasury:										
Passed-through State Department of Education:										
Special Revenue Fund:										
COVID-19 - Coronavirus Relief Fund Passed through the County of Bergen:	21.019	N/A	3/1/20-12/30/20	204,688			204,688	(204,688)		
COVID-19 - Coronavirus Relief Fund	21.019	N/A	3/1/20-12/30/20	71,747			71,747	(71,747)		
Total U.S. Department of Treasury							276,435	(276,435)		
U.S. Department of Health and Human Services:										
Medicaid Cluster:										
COVID 19 - Medicaid Assistance Program - Families First Coronavirus Response Act (FFCRA)	93.778	N/A	7/1/20-6/30/21	2,473			2,473	(2,473)		
Medicaid Assistance Program	93.778	N/A	7/1/20-6/30/21	53,057			53,057	(53,057)		
Total U.S. Department of Health and Human Services/Total Medicaid Cluster							55,530	(55,530)		
Total Federal Awards					\$ (480,949)	\$ -0-	\$ 5,651,596	\$ (6,640,621)	\$ (1,469,974)	\$ -0-

N/A - Not Applicable

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2021		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund State Aid:												
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$ 1,443,834	\$ (119,606)	\$ 119,606							\$ 1,443,834
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	840,898	(69,659)	69,659							840,898
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	4,363,870	(361,499)	361,499							4,363,870
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	464,041	(38,441)	38,441							464,041
Extraordinary Special Education Costs Aid	20-495-034-5120-044	7/1/19-6/30/20	2,116,592	(1,982,322)	2,180,879	\$ (198,557)						2,116,592
Excess Nonpublic Transportation Costs	20-495-034-5120-014	7/1/19-6/30/20	11,020	(11,020)	11,020							11,020
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	3,130,633	(155,100)	155,100							3,130,633
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	2,024,058		1,853,386	(2,024,058)			\$ (170,672)			2,024,058
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	840,898		769,992	(840,898)			(70,906)			840,898
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	4,363,870		3,995,902	(4,363,870)			(367,968)			4,363,870
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	464,041		424,912	(464,041)			(39,129)			464,041
Extraordinary Special Education Costs Aid	21-495-034-5120-044	7/1/20-6/30/21	3,213,647		3,213,647	(3,213,647)			(3,213,647)			3,213,647
Homeless Tuition Reimbursement	21-495-034-5120-005	7/1/20-6/30/21	189,791		189,791	(189,791)						189,791
Excess Nonpublic Transportation Costs	21-495-034-5120-014	7/1/20-6/30/21	134,270		2,930,547	(134,270)			(134,270)			134,270
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	3,092,264		3,619,796	(3,092,264)			(161,717)			3,092,264
On-Behalf TPAF Post-Retirement Contributions	21-495-034-5094-001	7/1/20-6/30/21	3,619,796		11,334,993	(3,619,796)						3,619,796
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	11,334,993		215,663	(11,334,993)						11,334,993
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	215,663		6,586	(215,663)						215,663
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	6,586		28,277,772	(6,586)			(4,158,309)			6,586
Subtotal - General Fund				(2,737,647)			(29,698,434)		(3,509,634)			41,870,765
Debt Service Fund Aid:												
Debt Service Aid - State Support	21-100-034-5120-125	7/1/20-6/30/21	263,875		263,875	(263,875)						263,875
Subtotal - Debt Service Fund												263,875
Special Revenue Fund Aid:												
Nonpublic Auxiliary Services:												
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	65,706	(6,570)	6,570			\$ (13,092)				52,614
English as a Second Language	20-100-034-5120-067	7/1/19-6/30/20	2,482	(248)	248			(1,506)				
Nonpublic Handicapped Services:												
Supplementary Instruction	20-100-034-5120-066	7/1/19-6/30/20	25,903	(2,590)	2,590			(10,668)				15,235
Supplementary Instruction	21-100-034-5120-066	7/1/20-6/30/21	11,900		11,900					\$ 4,376		7,524
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	7,291	(729)	729			(2,388)				4,903
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	22,672	(2,267)	2,267			(9,600)				13,072
Examination and Classification	21-100-034-5120-066	7/1/20-6/30/21	25,453		25,453			(30)		13,996		11,457
N.J. Nonpublic Textbook Aid	20-100-034-5120-066	7/1/19-6/30/20	6,694		3,665			(3,656)				6,664
N.J. Nonpublic Textbook Aid	21-100-034-5120-066	7/1/20-6/30/21	3,665		7,548			(822)		9		3,656
N.J. Nonpublic Nursing Aid	20-100-034-5120-070	7/1/19-6/30/20	12,319		12,950					370		11,497
N.J. Nonpublic Nursing Aid	21-100-034-5120-070	7/1/20-6/30/21	7,548							2		7,178
N.J. Nonpublic Security Aid	21-100-034-5120-509	7/1/20-6/30/21	12,950									12,948
Subtotal - Special Revenue Fund				(12,404)	38,106	73,920	(42,763)	(38,106)		18,753		146,748

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2021		MEMO		
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
<u>State Department of Education:</u>													
Food Service Fund:													
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	\$ 11,629	\$ (1,144)	\$ 1,144				\$ (61,280)	\$ (61,280)	\$ 11,629	\$ 11,629	
COVID 19 - Seamless Summer Option	21-100-010-3350-023	7/1/20-6/30/21	173,457		112,177							173,457	
Subtotal - Food Service Fund				(1,144)	113,321		(173,457)		(61,280)	(61,280)		185,086	
Total State Department of Education				(2,751,195)	\$38,106	28,728,888	(30,178,529)	\$ (38,106)	\$ (3,570,914)	\$ (3,570,914)	\$ 18,753	\$ (4,219,589)	42,466,474
Total State Awards				\$ (2,751,195)	\$38,106	\$28,728,888	\$ (30,178,529)	\$ (38,106)	\$ (3,570,914)	\$ (3,570,914)	\$ 18,753	\$ (4,219,589)	\$42,466,474
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post-Retirement Contributions	21-495-034-5094-001	7/1/20-6/30/21	(3,619,796)			3,619,796							
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	(11,334,993)			11,334,993							
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	(215,663)			215,663							
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	(6,586)			6,586							
Subtotal - On-Behalf TPAF Pension System Contributions						15,177,038							
Total State Awards Subject to Single Audit Major Program Determination						\$ (15,001,491)							

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Fair Lawn Public Schools under programs of the federal and state governments for the fiscal year ended June 30, 2021. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general and special revenue funds are presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last 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 revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$59,470) for the general fund and for the special revenue fund (\$-0-). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Revenue from federal and state awards is reported in the Board’s basic financial statements on a GAAP basis as presented on the following page:

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 55,530	\$ 29,638,964	\$ 29,694,494
Special Revenue Fund	2,285,771	42,763	2,328,534
Debt Service Fund		263,875	263,875
Food Service Fund	<u>4,299,320</u>	<u>173,457</u>	<u>4,472,777</u>
Total Awards	<u>\$ 6,640,621</u>	<u>\$ 30,119,059</u>	<u>\$ 36,759,680</u>

NOTE 5. 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 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2021.

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	C.F.D.A./ State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
<u>Federal:</u>				
Child Nutrition Cluster:				
COVID-19 - Seamless Summer Option	10.555	7/1/20-6/30/21	\$ 4,230,710	\$ 4,230,710
Food Distribution Program	10.555	7/1/20-6/30/21	68,610	68,610
<u>State:</u>				
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	2,024,058	2,024,058
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	4,363,870	4,363,870
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	464,041	464,041

- The threshold used for distinguishing between Type A and Type B federal and state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for both federal and state programs.

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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Summary of Auditors' Results: (Cont'd)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

FAIR LAWN PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Status of Prior Year Findings:

The District had no prior year audit findings.