

FAIR LAWN PUBLIC SCHOOLS

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022**

**Annual Comprehensive
Financial Report**

of the

Fair Lawn Public Schools

Fair Lawn, New Jersey

For the Fiscal Year Ended June 30, 2022

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

January 27, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Fair Lawn Public Schools (the "District") for the fiscal year ended June 30, 2022, 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 annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the 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 2021-2022 fiscal year with an average daily enrollment of 5,307 students, a slight increase 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. The 2020 U.S. Census Bureau estimated the population to be 32,896, which is a gain of 2,470 residents 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: 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. 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 and demographic projections 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.

74% of 2022 graduates aspired to attend 4-year colleges, and 15% aspired to attend 2-year colleges. 2.4% aspired to trade/technical school. 2.1% pursued military opportunities or entered employment.

3) MAJOR INITIATIVES: (Cont'd)

2022 graduates attend Ivy League institutions, military academies, and many other competitive colleges and universities. District provides the PSAT in-school to students in grades 10 and 11 in the fall, as well as the SAT and ACT in the fall and the spring.

Other District Highlights

- Fair Lawn High School is on Niche.com list of best High Schools in America, putting our high school in the top 3% in the country.
- US News and World Report ranked FLHS within the top 7% of public high schools in the nation.
- Students participate in engineering and design projects in the FLHS STEAM lab. Our approved CTE sequence in Architecture and Design is taught in this lab!
- FLHS has added CTE sequences in Accounting/Finance and Child Care.
- 29 AP courses, numerous academic and elective courses including dual-college enrollment, inclusive of a concurrent Associate's Degree Program, over 60 student activities, 9 honor societies and 27 varsity sports.

Awards, Recognitions, Accomplishments:

- For 2022, College Board named 49 AP Scholars, 19 AP Scholars with Honors, 34 AP Scholars with Distinction. 80% of AP exams taken by students scored a 3 or above. FLHS had 10 National Merit Commended Scholars in the Class of 2022.

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.

In 2022 the Fair Lawn District underwent the New Jersey Quality Single Accountability Continuum (NJQSAC) review. The District was designated as "high performing".

The district has instituted a 1:1 initiative whereby all students have a laptop in district. The district will continue to budget for replacement of these laptops throughout the student's career at Fair Lawn. Different laptops are used depending on grade level.

The district has been utilizing capital reserve funds to handle items listed in its Long Range Facility Plan. These projects include roof and window replacements, work in the classrooms and improvements to the facilities. The district plans to continue this work in successive budget cycles.

District Goals for the 2022-23 school year are:

1. Career and Technical Education (continuation goal) – Explore trades, programs, and courses of study to prepare students for the world of work by introducing them to workplace competencies in real-world, applied content.
2. Addressing Achievement Gaps through Data-Driven Differentiated Instruction (continuation goal) – Continue the analysis of student metrics in order to monitor and improve student understanding and achievement of New Jersey Student Learning Standards.

3. Enhancing Student and Staff Wellness (new goal) – Provide increased staff and student self-care experiences based on key stakeholder input to build a healthy and supportive school learning environment.
4. 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, 2022.

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 New Jersey Schools Insurance Group ("the Group"). The Group 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.

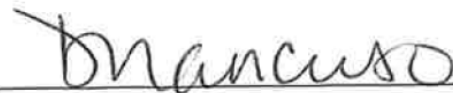
10) ACKNOWLEDGMENTS:

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,

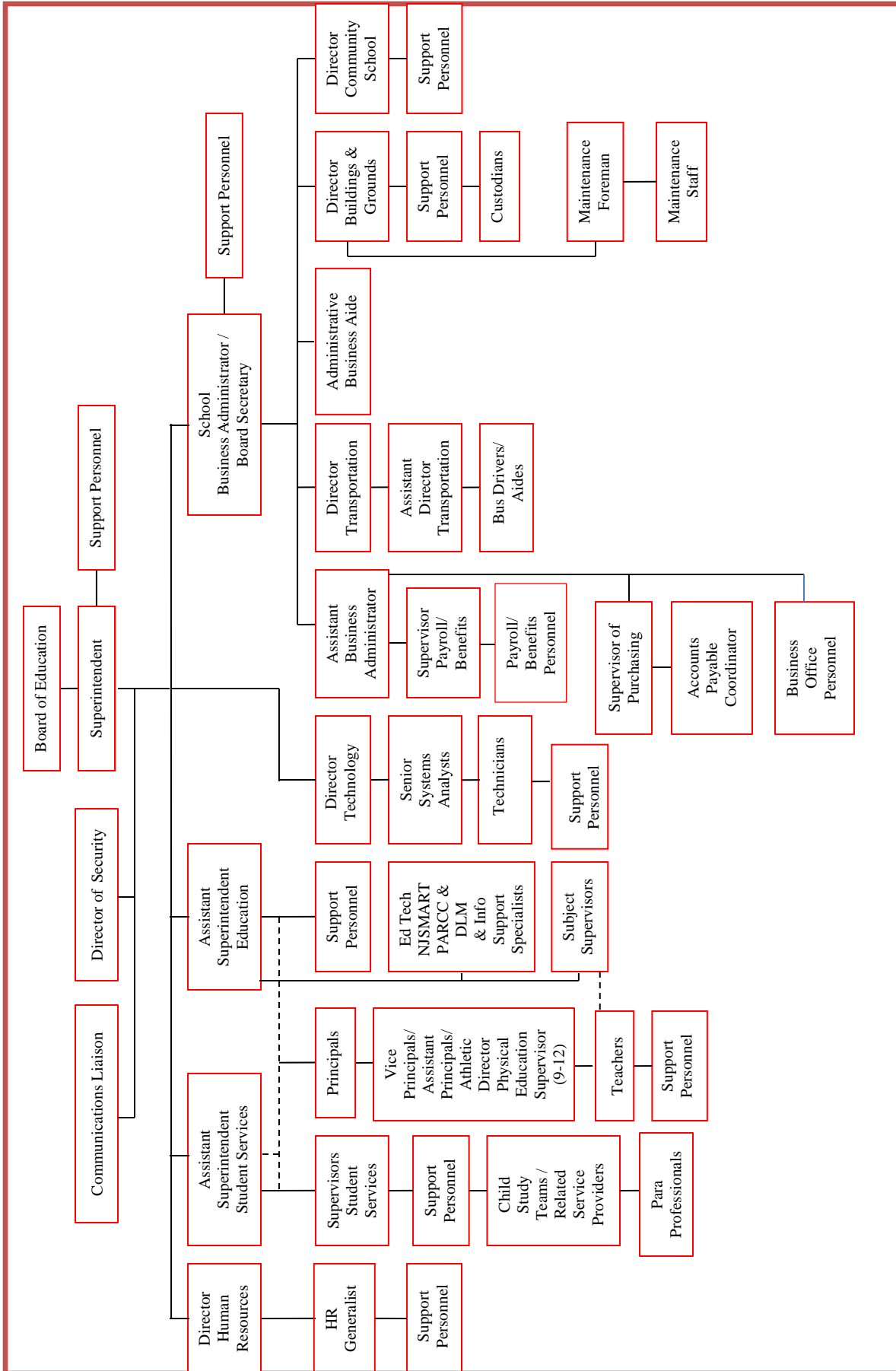


Nicholas Norcia
Superintendent of Schools



Danielle Mancuso
School Business Administrator/Board Secretary

FAIR LAWN PUBLIC SCHOOLS ORGANIZATION CHART



**FAIR LAWN PUBLIC SCHOOLS
ROSTER OF OFFICIALS
JUNE 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Eugene Banta, President	12/31/2024
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
Joseph Baldofsky, Member	12/31/2024
Mark Spindel, Member	12/31/2024

<u>Other Officers</u>	<u>Title</u>
Nicholas Norcia	Superintendent of Schools
John Serapiglia Jr.	School Business Administrator/Board Secretary
Karen Palermo	Treasurer of School Monies
John Comegno, 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

Comegno Law Group, P.C.
521 Pleasant Valley Avenue
Moorestown, NJ 08057

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

Architects/Engineers

Solutions Architecture
96 Pompton Avenue
2nd Floor, Suite 200
Verona, NJ 07044

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

Provident Bank
12-79 River Road
Fair Lawn, NJ 07410

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 Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

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 post-retirement 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 is the responsibility of management and, although not a part of the basic financial statements, are 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.

Supplementary 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 supplementary information 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2023 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 District's internal control over financial reporting and compliance.

January 27, 2023
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, 2022**

This section of Fair Lawn Public Schools' annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2022. 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

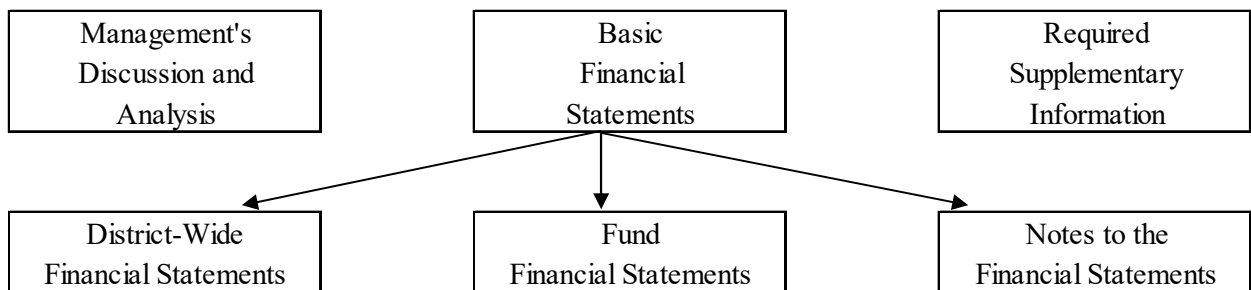
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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, 2022

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, lease 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, 2022

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 program is 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, 2022

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 \$14,006,749. Net position from governmental activities increased by \$12,399,290 and net position from business-type activities increased by \$1,607,459. Net investment in capital assets increased by \$1,895,644, restricted net position increased by \$5,165,255, and unrestricted net position increased by \$6,945,850. Net investment in capital assets increased primarily due to current year capital assets additions, the maturity of the serial bonds payable, and the defeasing of serial bonds payable offset by current year depreciation expense, the issuance of new refunding serial bonds and the related deferred amount on the refunding. Restricted net position increased mainly due to increases in the Capital Reserve, Maintenance Reserve, Emergency Reserve, Unemployment Compensation, and Student Activities offset by decreases in Scholarships, the Debt Service Fund, 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 excess unbudgeted revenue and unexpended appropriations.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage Change 2021/22
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	
Current and							
Other Assets	\$ 48,469,796	\$ 41,481,321	\$ 2,372,911	\$ 2,028,090	\$ 50,842,707	\$ 43,509,411	
Capital Assets, Net	68,538,251	68,983,837	433,529	396,445	68,971,780	69,380,282	
Total Assets	<u>117,008,047</u>	<u>110,465,158</u>	<u>2,806,440</u>	<u>2,424,535</u>	<u>119,814,487</u>	<u>112,889,693</u>	6.13%
Deferred Outflows of Resources	<u>2,637,120</u>	<u>3,451,762</u>			<u>2,637,120</u>	<u>3,451,762</u>	-23.60%
Other Liabilities	5,188,859	4,258,463	59,224	1,284,778	5,248,083	5,543,241	
Long-Term Liabilities							
Outstanding	<u>57,234,485</u>	<u>64,675,756</u>			<u>57,234,485</u>	<u>64,675,756</u>	
Total Liabilities	<u>62,423,344</u>	<u>68,934,219</u>	<u>59,224</u>	<u>1,284,778</u>	<u>62,482,568</u>	<u>70,218,997</u>	-11.02%
Deferred Inflows of Resources	<u>11,283,591</u>	<u>11,443,759</u>			<u>11,283,591</u>	<u>11,443,759</u>	-1.40%
Net Position:							
Net Investment in							
Capital Assets	28,160,397	26,301,837	433,529	396,445	28,593,926	26,698,282	
Restricted	31,354,049	26,188,794			31,354,049	26,188,794	
Unrestricted/(Deficit)	<u>(13,576,214)</u>	<u>(18,951,689)</u>	<u>2,313,687</u>	<u>743,312</u>	<u>(11,262,527)</u>	<u>(18,208,377)</u>	
Total Net Position	<u>\$ 45,938,232</u>	<u>\$ 33,538,942</u>	<u>\$ 2,747,216</u>	<u>\$ 1,139,757</u>	<u>\$ 48,685,448</u>	<u>\$ 34,678,699</u>	40.39%

Changes in Net Position. The Changes in Net Position shows the cost of the program services and the revenues of the District on a comparative schedule (Figure A-4).

Fair Lawn Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities 2021/22	Business- Type Activities 2021/22	Governmental Activities 2021/22	Business- Type Activities 2020/21	Total School District 2021/22	Total School District 2020/21	Percentage Change 2021/22
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,903,645	\$ 257,955	\$ 637,560	\$ 12,603	\$ 2,161,600	\$ 650,163	
Operating Grants and Contributions	33,085,500	6,043,675	33,517,526	4,472,777	39,129,175	37,990,303	
General Revenue:							
Property Taxes	95,389,587		95,524,810		95,389,587	95,524,810	
Unrestricted State and Federal Aid	6,608,547		2,788,269		6,608,547	2,788,269	
Other	1,221,661	4,005	682,974	1,298	1,225,666	684,272	
Total Revenue	138,208,940	6,305,635	133,151,139	4,486,678	144,514,575	137,637,817	5.00%
Expenses:							
Instruction	75,708,025		76,109,476		75,708,025	76,109,476	
Pupil and Instruction Services	21,569,092		21,333,619		21,569,092	21,333,619	
Administrative and Business	11,223,567		11,467,259		11,223,567	11,467,259	
Maintenance and Operations	10,472,879		8,056,730		10,472,879	8,056,730	
Transportation	4,133,570		3,424,197		4,133,570	3,424,197	
Other	2,702,517	4,698,176	2,301,344	3,940,871	7,400,693	6,242,215	
Total Expenses	125,809,650	4,698,176	122,692,625	3,940,871	130,507,826	126,633,496	3.06%
Transfers:							
Capital Contribution			(79,989)	79,989			
Increase/(Decrease) in Net Position	\$ 12,399,290	\$ 1,607,459	\$ 10,378,525	\$ 545,807	\$ 14,006,749	\$ 11,004,321	27.28%

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, 2022**

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>2021/22</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2020/21</u>
Instruction	\$ 75,708,025	\$ 46,276,142	\$ 76,109,476	\$ 46,411,623
Pupil and Instruction Services	21,569,092	19,925,631	21,333,619	19,714,926
Administrative and Business	11,223,567	9,600,613	11,467,259	9,693,330
Maintenance and Operations	10,472,879	10,472,879	8,056,730	8,056,730
Transportation	4,133,570	3,069,057	3,424,197	2,455,530
Other	2,702,517	1,476,183	2,301,344	2,205,400
	<u>\$ 125,809,650</u>	<u>\$ 90,820,505</u>	<u>\$ 122,692,625</u>	<u>\$ 88,537,539</u>

Business-Type Activities

Net position from the District’s business-type activity increased by \$1,607,459 (Refer to Figure A-4). The increase in net position was primarily due to the District continuing to participate in 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 and excess budget revenue in the General Fund.

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, 2022**

Capital Assets and Long-term Liabilities Administration

Figure A-6

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percentage
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	Change 2021/22
Sites and Site Improvements	\$ 3,424,656	\$ 3,473,909			\$ 3,424,656	\$ 3,473,909	
Construction in Progress	36,524,192	38,799,675			36,524,192	38,799,675	
Buildings and Building Improvements	25,227,339	23,277,268			25,227,339	23,277,268	
Machinery and Equipment	3,362,064	3,432,985	\$ 433,529	\$ 396,445	3,795,593	3,829,430	
Total	\$ 68,538,251	\$ 68,983,837	\$ 433,529	\$ 396,445	\$ 68,971,780	\$ 69,380,282	-0.59%

Long-term Liabilities

The District's long term liabilities decreased by \$7,441,271 or 11.51% 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
	2021/22	2020/21	Change 2021/22
General Obligation Bonds (Financed with Property Taxes)	\$ 41,040,000	\$ 42,682,000	
Net Pension Liability	15,485,641	21,232,538	
Compensated Absences Payable	708,844	761,218	
	\$ 57,234,485	\$ 64,675,756	-11.51%

- The District continued to pay down its bonded debt, retiring \$2,480,000 of outstanding bonds.
- The District issued refunding school bonds of \$16,360,000.
- The District defeased \$15,522,000 of outstanding bonds.
- Compensated absences payable decreased by a net amount of \$52,374.
- Net pension liability decreased by \$5,746,897.

Fair Lawn Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

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 Borough as a whole is experiencing an increase in population. This is resulting in an increase in the District's enrollment. A recent demographic study showed projected increased in enrollment. The District will have to closely monitor this development. Increased enrollment could require additional staff and additions to current buildings.
- 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.
- The Board faces continued maintenance of the three aging school buildings that are over 50, 70, and 100 years old.

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, 2022

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 14,420,356	\$ 2,159,475	\$ 16,579,831
Receivables from State Government	3,387,985	3,715	3,391,700
Receivables from Federal Government	1,866,581	200,405	2,066,986
Receivables from Other Governments	123,291		123,291
Other Accounts Receivable	194,376	7,254	201,630
Inventories		2,062	2,062
Restricted Cash and Cash Equivalents	28,477,207		28,477,207
Capital Assets, Net:			
Sites (Land) and Construction in Progress	38,183,815		38,183,815
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	30,354,436	433,529	30,787,965
Total Assets	<u>117,008,047</u>	<u>2,806,440</u>	<u>119,814,487</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Amount on Refunding	662,146		662,146
Deferred Outflows Related to Pensions	1,974,974		1,974,974
Total Deferred Outflows of Resources	<u>2,637,120</u>		<u>2,637,120</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	4,037,830	5,234	4,043,064
Accrued Interest Payable	332,217		332,217
Payable to State Government	20,411		20,411
Unearned Revenue	798,401	53,990	852,391
Noncurrent Liabilities:			
Due Within One Year	2,620,995		2,620,995
Due Beyond One Year	54,613,490		54,613,490
Total Liabilities	<u>62,423,344</u>	<u>59,224</u>	<u>62,482,568</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	11,283,591		11,283,591
Total Deferred Inflows of Resources	<u>11,283,591</u>		<u>11,283,591</u>
<u>NET POSITION/(DEFICIT)</u>			
Net Investment in Capital Assets	28,160,397	433,529	28,593,926
Restricted for:			
Capital Projects	21,970,552		21,970,552
Debt Service	499,047		499,047
Maintenance Reserve	4,917,982		4,917,982
Emergency Reserve	607,003		607,003
Excess Surplus	1,975,930		1,975,930
Unemployment Compensation	958,982		958,982
Scholarships	26,235		26,235
Student Activities	398,318		398,318
Unrestricted/(Deficit)	(13,576,214)	2,313,687	(11,262,527)
Total Net Position	<u>\$ 45,938,232</u>	<u>\$ 2,747,216</u>	<u>48,685,448</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, 2022

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	\$ 54,749,065	\$ 43,116	\$ 17,266,580	\$ (37,439,369)	\$	\$ (37,439,369)	
Special Education	15,076,034	168,593	10,828,903	(4,078,538)		(4,078,538)	
Other Instruction	5,882,926	2,925	1,121,766	(4,758,235)		(4,758,235)	
Support Services:							
Tuition	6,466,431		1,262,524	(5,203,907)		(5,203,907)	
Student and Instruction Related Services	15,102,661	380,937		(14,721,724)		(14,721,724)	
School Administrative Services	6,666,687		1,473,687	(5,193,000)		(5,193,000)	
General Administrative Services	1,115,837		149,267	(966,570)		(966,570)	
Central Services	1,832,331			(1,832,331)		(1,832,331)	
Administrative Information Technology	1,608,712			(1,608,712)		(1,608,712)	
Plant Operations and Maintenance	10,472,879			(10,472,879)		(10,472,879)	
Pupil Transportation	4,133,570	81,740	982,773	(3,069,057)		(3,069,057)	
Special Schools	1,477,180	1,226,334		(250,846)		(250,846)	
Transfer of Funds to Charter School	109,989			(109,989)		(109,989)	
Interest on Long-Term Debt	1,115,348			(1,115,348)		(1,115,348)	
Total Governmental Activities	125,809,650	1,903,645	33,085,500	(90,820,505)		(90,820,505)	
Business-Type Activities:							
Food Service	4,698,176	257,955	6,043,675		\$ 1,603,454	1,603,454	
Total Business-Type Activities	4,698,176	257,955	6,043,675		1,603,454	1,603,454	
Total Primary Government	\$ 130,507,826	\$ 2,161,600	\$ 39,129,175	\$ (90,820,505)	\$ 1,603,454	\$ (89,217,051)	

FAIR LAWN PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 92,788,775		\$ 92,788,775
Property Taxes, Levied for Debt Service Principal	2,600,812		2,600,812
Federal, State and Local Aid not Restricted	6,608,547		6,608,547
Investment Earnings	57,173	\$ 4,005	61,178
Restricted Miscellaneous Income	888,351		888,351
Unrestricted Miscellaneous Income	276,137		276,137
Total General Revenues	103,219,795	4,005	103,223,800
Change in Net Position	12,399,290	1,607,459	14,006,749
Net Position - Beginning	33,538,942	1,139,757	34,678,699
Net Position - Ending	\$ 45,938,232	\$ 2,747,216	\$ 48,685,448

FUND FINANCIAL STATEMENTS

FAIR LAWN PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 13,519,444		\$ 900,312	\$ 600	\$ 14,420,356
Interfund Receivable	1,255,534			498,447	1,753,981
Receivables From State Government	3,387,985				3,387,985
Receivables From Federal Government		\$ 1,866,581			1,866,581
Receivables From Other Governments	123,291				123,291
Other Accounts Receivables	194,376				194,376
Restricted Cash and Cash Equivalents	28,052,654	424,553			28,477,207
Total Assets	\$ 46,533,284	\$ 2,291,134	\$ 900,312	\$ 499,047	\$ 50,223,777
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,911,875	\$ 566,664			\$ 2,478,539
Interfund Payable		1,255,534	\$ 498,447		1,753,981
Payable to State Government		20,411			20,411
Unearned Revenue	774,429	23,972			798,401
Total Liabilities	2,686,304	1,866,581	498,447		5,051,332
Fund Balances:					
Restricted:					
Excess Surplus - 2023-2024	1,975,930				1,975,930
Capital Reserve	21,568,687				21,568,687
Maintenance Reserve	4,917,982				4,917,982
Emergency Reserve	607,003				607,003
Unemployment Compensation	958,982				958,982
Scholarships		26,235			26,235
Student Activities		398,318			398,318
Capital Projects			401,865		401,865
Debt Service				\$ 499,047	499,047
Assigned:					
Encumbrances	6,142,328				6,142,328
Designated for Subsequent Year's Expenditures	2,000,000				2,000,000
Unassigned	5,676,068				5,676,068
Total Fund Balances	43,846,980	424,553	401,865	499,047	45,172,445
Total Liabilities and Fund Balances	\$ 46,533,284	\$ 2,291,134	\$ 900,312	\$ 499,047	\$ 50,223,777

FAIR LAWN PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	<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	\$ 45,172,445
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	68,538,251
Interest on Long-Term Debt is not Accrued in Governmental Funds, but Rather is Recognized as an Expenditure When Due.	(332,217)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(15,485,641)
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	415,683
Deferred Inflows	(11,283,591)
The deferred amount on bond refunding is not reported as an expenditure in the Governmental Funds in the year of expenditure.	662,146
Long-Term Liabilities, Including Bonds Payable and Financed Purchases Payable, are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	<u>(41,748,844)</u>
Net Position of Governmental Activities	<u>\$ 45,938,232</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			\$ 2,600,812	\$ 95,389,587
Tuition Charges	214,634				214,634
Transportation Fees from Individuals	81,740				81,740
Interest Earned on Capital Reserve Funds	22,733				22,733
Interest Earned on Maintenance Reserve Funds	27,629				27,629
Interest Earned on Emergency Reserve Funds	4,097				4,097
Other Restricted Miscellaneous Revenues	2,114,685	\$ 405,005			2,519,690
Unrestricted Miscellaneous Revenue	269,317		\$ 2,714	6,820	278,851
Total - Local Sources	95,523,610	405,005	2,714	2,607,632	98,538,961
State Sources	38,382,946	343,679		266,614	38,993,239
Federal Sources	68,957	4,114,828			4,183,785
Total Revenues	133,975,513	4,863,512	2,714	2,874,246	141,715,985
EXPENDITURES:					
Current:					
Regular Instruction	32,167,934	2,912,279			35,080,213
Special Education Instruction	10,101,131	307,772			10,408,903
Other Instruction	3,988,811				3,988,811
Support Services and Undistributed Costs:					
Tuition	5,203,907	1,262,524			6,466,431
Student and Other Instruction Related Services	13,158,699	300,317			13,459,016
General Administrative Services	893,026				893,026
School Administrative Services	4,489,303				4,489,303
Central Services	1,627,130				1,627,130
Administrative Information Technology	1,510,895				1,510,895
Plant Operations and Maintenance	9,968,482				9,968,482
Student Transportation	3,719,335				3,719,335
Unallocated Benefits	37,737,038				37,737,038
Capital Outlay	1,185,672		45,421		1,231,093
Special Schools	1,477,180				1,477,180
Transfer of Funds to Charter School	109,989				109,989
Debt Service:					
Principal				2,480,000	2,480,000
Interest and Other Charges				1,270,078	1,270,078
Total Expenditures	127,338,532	4,782,892	45,421	3,750,078	135,916,923
Excess/(Deficit) of Revenue Over/(Under) Expenditures	6,636,981	80,620	(42,707)	(875,832)	5,799,062
Other Financing Sources/(Uses):					
Refunding Bonds Issued				16,360,000	16,360,000
Serial Bonds Defeased				(15,522,000)	(15,522,000)
Bond Issuance Costs				(162,876)	(162,876)
Deferred Amount on Refunding				(675,124)	(675,124)
Transfers in				840,014	840,014
Transfers out	(600,000)		(240,014)		(840,014)
Total Other Financing Sources/(Uses)	(600,000)		(240,014)	840,014	
Net Change in Fund Balances	6,036,981	80,620	(282,721)	(35,818)	5,799,062
Fund Balance - July 1	37,809,999	343,933	684,586	534,865	39,373,383
Fund Balance - June 30	\$ 43,846,980	\$ 424,553	\$ 401,865	\$ 499,047	\$ 45,172,445

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)		\$ 5,799,062
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 differ from depreciation in the period.		
Depreciation Expense	\$ (1,825,959)	
Capital Outlays	<u>1,380,373</u>	(445,586)
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 (+).		
		167,708
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.		
		2,480,000
The governmental funds report the effect the deferred amount on the refunding relative to advance refunding when debt is first issued whereas these amounts are deferred and amortized in the statement		
		(12,978)
Proceeds from debt issued for a refunding less the amount of bonds defeased are not recorded in the governmental fund.		
Refunding Bonds Issued	(16,360,000)	
Deferred Amount on Refunding	675,124	
School Bonds Defeased	<u>15,522,000</u>	(162,876)
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		5,746,897
Change in Deferred Outflows		(1,385,479)
Change in Deferred Inflows		160,168
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 (+).		
		<u>52,374</u>
Change in Net Position of Governmental Activities		<u>\$ 12,399,290</u>

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, 2022

Business-Type
Activities -
Enterprise Funds

Food
Service

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 2,159,475
Intergovernmental Accounts Receivable:	
State	3,715
Federal	200,405
Other Accounts Receivable	7,254
Inventories	2,062
	<hr/>
Total Current Assets	2,372,911

Non-Current Assets:

Capital Assets	946,868
Less: Accumulated Depreciation	(513,339)
	<hr/>
Total Non-Current Assets	433,529

Total Assets

2,806,440

LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	5,234
Unearned Revenue - Donated Commodities	2,062
Unearned Revenue - Prepaid Sales	51,928
	<hr/>
Total Current Liabilities	59,224

NET POSITION:

Investment in Capital Assets	433,529
Unrestricted	2,313,687
	<hr/>
Total Net Position	\$ 2,747,216

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, 2022

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 257,938
Other Income	17
	<u>257,955</u>
Total Operating Revenue	
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	187,975
Purchased Services (Including Fixed Price Contract)	4,404,382
Other Purchased Services	25,737
Supplies, Insurance and Other Costs	29,471
Miscellaneous Expenses	1,013
Depreciation Expense	49,598
	<u>4,698,176</u>
Total Operating Expenses	
Operating Loss	<u>(4,440,221)</u>
Non-Operating Revenue:	
Local Sources:	
Interest Income	4,005
State Sources:	
COVID-19 Seamless Summer Option	107,435
Federal Sources:	
COVID-19 Seamless Summer Option	5,886,408
COVID-19 Pandemic Electronic Benefit Transfer Grant	1,242
COVID-19 Emergency Operational Cost Program	15,084
Food Distribution Program	33,506
	<u>6,047,680</u>
Total Non-Operating Revenue	
Change in Net Position	1,607,459
Net Position - Beginning of Year	<u>1,139,757</u>
Net Position - End of Year	<u>\$ 2,747,216</u>

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, 2022

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 251,774
Payments to Food Service Contractor	(4,561,861)
Payments for Suppliers	(1,261,970)
Net Cash Used for Operating Activities	<u>(5,572,057)</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(86,682)
Net Cash Used for Capital and Related Financing Activities	<u>(86,682)</u>
Cash Flows from Investing Activities:	
Interest Income	4,005
Net Cash Provided by Investing Activities	<u>4,005</u>
Cash Flows from Noncapital Financing Activities:	
State Sources Collected in Food Service Fund	165,000
Federal Sources Collected in Food Service Fund	7,036,357
Net Cash Provided by Noncapital Financing Activities	<u>7,201,357</u>
Net Increase in Cash and Cash Equivalents	1,546,623
Cash and Cash Equivalents, July 1	<u>612,852</u>
Cash and Cash Equivalents, June 30	<u>\$ 2,159,475</u>
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities	
Operating Loss	\$ (4,440,221)
Adjustment to Reconcile Operating Loss to Net Cash	
Used for Operating Activities	
Depreciation	49,598
Food Distribution Program	33,506
Changes in Assets and Liabilities:	
(Decrease) in Unearned Revenue - Prepaid Sales	(20,919)
Increase in Unearned Revenue - Donated Commodities	2,062
(Decrease) in Accounts Payable	(1,206,697)
Decrease in Other Accounts Receivable	12,676
(Increase) in Inventory	(2,062)
Net Cash Used for Operating Activities	<u>\$ (5,572,057)</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 \$35,568 and utilized U.S.D.A. Commodities valued at \$33,506.

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, 2022

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, 2022
(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 or lease 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, 2022

(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 or lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases 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, 2022

(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, 2022 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:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" and Other Financing Sources from the Budgetary Comparison Schedule	\$ 134,402,889	\$ 4,863,512
Differences - Budgetary to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	648,675	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,076,051)	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 133,975,513	\$ 4,863,512

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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	\$ 127,338,532	\$ 4,782,892
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 127,338,532	\$ 4,782,892

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, 2022

(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, 2022.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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. Lease Assets:

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

M. 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.

N. 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, 2022.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

O. 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.

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.

P. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. Unearned Revenue:

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

R. Fund Balance Appropriated:

General Fund: Of the \$43,846,980 General Fund fund balance at June 30, 2022, \$6,142,328 is assigned for encumbrances; \$2,000,000 is assigned as designated for subsequent year's expenditures; \$1,975,930 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2024; \$21,568,687 is restricted in the capital reserve account; \$4,917,982 is restricted in the maintenance reserve account; \$607,003 is restricted in the emergency reserve account; \$958,982 is restricted for unemployment compensation; and \$5,676,068 of unassigned fund balance, which is \$1,076,051 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, 2023.

Special Revenue Fund: Of the fund balance of \$424,553 in Special Revenue Fund at June 30, 2022, \$26,235 is restricted for scholarships; \$398,318 is restricted for student activities.

Capital Projects Fund: The Capital Projects Fund fund balance at June 30, 2022 of \$401,865 is restricted.

Debt Service Fund: The \$499,047 of fund balance in the Debt Service Fund at June 30, 2022 is restricted, of which \$248,498 has been appropriated and included as anticipated revenue in the budget for the fiscal year ended June 30, 2023.

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 excess surplus at June 30, 2022 as noted above.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

R. Fund Balance Appropriated: (Cont'd)

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.

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.

S. Deficit Net Position:

The District has a deficit in unrestricted net position of \$13,576,214 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.

T. 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, 2022 for pensions as well as a deferred outflow for the deferred amount on the refunding of debt.

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, lease assets, net of amortization 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.

U. 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, 2022

(Continued)

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

U. 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, 2022.

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 2022/2023 budget and encumbrances in the General Fund at June 30, 2022.

V. 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, 2022

(Continued)

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

W. 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.

X. 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.

Y. 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, 2022

(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, 2022
(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, 2022
(Continued)

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

As of June 30, 2022, 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	\$ 21,568,687	\$ 4,917,982	\$ 607,003	\$ 958,982	\$ 398,318	\$ 26,235	\$ 16,579,831	\$ 45,057,038
	<u>\$ 21,568,687</u>	<u>\$ 4,917,982</u>	<u>\$ 607,003</u>	<u>\$ 958,982</u>	<u>\$ 398,318</u>	<u>\$ 26,235</u>	<u>\$ 16,579,831</u>	<u>\$ 45,057,038</u>

During the period ended June 30, 2022, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2022, was \$45,057,038 and the bank balance was \$47,610,820.

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, 2021	\$ 19,256,610
Increased by:	
Transfer from Unassigned Fund Balance as per Board Resolution - June 2022	7,750,000
Interest Earnings	22,733
Decreased by:	
Budgeted Withdrawal from Capital Reserve	(4,860,656)
Budgeted Withdrawal - Debt Service Fund	<u>(600,000)</u>
Ending Balance, June 30, 2022	<u>\$ 21,568,687</u>

The balance in the capital reserve account at June 30, 2022 does not exceed the LRFP balance of local support costs of uncompleted capital projects. The budgeted withdrawal was for use in DOE approved facilities projects, consistent with the District's LRFP.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 1,659,623			\$ 1,659,623
Construction in Progress	38,799,675	\$ 45,421	\$ (2,320,904)	36,524,192
Total Capital Assets Not Being Depreciated	40,459,298	45,421	(2,320,904)	38,183,815
Capital Assets Being Depreciated:				
Site Improvements	5,526,392	166,586		5,692,978
Buildings and Building Improvements	47,323,487	596,409	2,320,904	50,240,800
Machinery and Equipment	11,282,005	571,957		11,853,962
Total Capital Assets Being Depreciated	64,131,884	1,334,952	2,320,904	67,787,740
Governmental Activities Capital Assets	104,591,182	1,380,373		105,971,555
Less: Accumulated Depreciation for:				
Site Improvements	(3,712,106)	(215,839)		(3,927,945)
Buildings and Building Improvements	(24,046,219)	(967,242)		(25,013,461)
Machinery and Equipment	(7,849,020)	(642,878)		(8,491,898)
	(35,607,345)	(1,825,959)		(37,433,304)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 68,983,837	\$ (445,586)	\$ -0-	\$ 68,538,251
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 860,186	\$ 86,682		\$ 946,868
Less: Accumulated Depreciation	(463,741)	(49,598)		(513,339)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 396,445	\$ 37,084	\$ -0-	\$ 433,529
Depreciation expense was charged to governmental functions as follows:				
Regular Instruction				\$ 1,099,212
School Sponsored/Other Instruction				18,276
Student and Instruction Related Services				266,639
General Administration				49,588
School Administration				28,639
Operations and Maintenance of Plant				125,007
Student Transportation				238,598
				\$ 1,825,959

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2021	Accrued	Retired/ Defeased	Balance 6/30/2022
Serial Bonds Payable	\$ 42,682,000	\$ 16,360,000	\$ 18,002,000	\$ 41,040,000
Net Pension Liability	21,232,538		5,746,897	15,485,641
Compensated Absences Payable	761,218	99,601	151,975	708,844
	\$ 64,675,756	\$ 16,459,601	\$ 23,900,872	\$ 57,234,485

A. 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, 2022 is \$-0- and the long-term portion is \$15,485,641. See Note 8 for further information on the PERS.

B. Bonds Authorized But Not Issued:

As of June 30, 2022, the Board had no bonds authorized but not issued.

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

The District had bonds outstanding as of June 30, 2022 as follows:

	<u>Serial Bonds</u>		
Purpose	Final Maturity Date	Interest Rate	Amount
Refunding Bonds of 2022	03/01/35	0.416-2.288%	\$ 16,195,000
Refunding Bonds of 2014	02/15/23	4.000%	720,000
Various Improvements	03/01/23	3.000%	480,000
Various Improvements	09/01/43	3.125-3.50%	23,645,000
			\$ 41,040,000

The District issued \$16,360,000 of refunding bonds on September 9, 2021 to refund \$3,355,000 of its 2012 refunding bonds, \$4,885,000 of its 2014 refunding bonds, and \$7,282,000 of its 2016 serial bonds which had been issued with respective interest rates ranging between 3.00% and 4.00%. The 2022 refunding bonds were issued with interest rates of 0.316-2.288%. The net present value savings over the life of the new refunding bonds will be \$997,885.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 6. LONG-TERM LIABILITIES (Cont'd)

C. 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>
2023	\$ 2,565,000	\$ 1,028,600	\$ 3,593,600
2024	2,590,000	959,748	3,549,748
2025	2,585,000	923,422	3,508,422
2026	2,575,000	881,268	3,456,268
2027	2,585,000	835,305	3,420,305
2028-2032	11,130,000	3,385,470	14,515,470
2033-2037	7,795,000	2,159,005	9,954,005
2038-2042	6,575,000	1,035,778	7,610,778
2043-2044	2,640,000	92,400	2,732,400
	<u>\$ 41,040,000</u>	<u>\$ 11,300,996</u>	<u>\$ 52,340,996</u>

D. 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 \$55,995 and is separated from the long-term portion of compensated absences of \$652,849. 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, 2022, \$-0- is recorded for compensated absences in the Enterprise Funds.

NOTE 7. 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).

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.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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:

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 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 value of assets. District contributions to PERS amounted to \$1,460,309 for fiscal year 2022.

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, 2022, the District's liability was \$15,485,641 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.1307%, which was an increase of 0.0005% from its proportion measured as of June 30, 2020.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 7. 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)

For the fiscal year ended June 30, 2022, the District recognized a pension benefit in the amount of \$2,986,102. At June 30, 2022, 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	2017	5.48		\$ (654,427)
	2018	5.63		(1,226,912)
	2019	5.21		(1,082,349)
	2020	5.16		(2,549,301)
	2021	5.13	\$ 80,649	(5,512,989)
			<u>80,649</u>	<u>(5,512,989)</u>
Difference Between Expected and Actual Experience	2017	5.48	19,463	
	2018	5.63		(46,721)
	2019	5.21	82,735	
	2020	5.16	142,031	
	2021	5.13		(64,137)
			<u>244,229</u>	<u>(110,858)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		(120,964)
	2019	5.00		39,031
	2020	5.00		879,647
	2021	5.00		(4,877,039)
				<u>(4,079,325)</u>
Changes in Proportion	2017	5.48		(58,012)
	2018	5.63		(849,361)
	2019	5.21		(287,820)
	2020	5.16		(385,226)
	2021	5.13	90,805	(1,580,419)
			<u>90,805</u>	<u>(1,580,419)</u>
District Contribution Subsequent to the Measurement Date	2021	1.00	1,559,291	
			<u>\$ 1,974,974</u>	<u>\$ (11,283,591)</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 7. 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)

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 the pension benefit as follows:

Fiscal Year Ending June 30,	Total
2022	\$ (3,653,937)
2023	(2,608,902)
2024	(1,778,826)
2025	(1,337,149)
2026	520
	\$ (9,378,294)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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%

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-2021. The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2021 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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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, 2021 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, 2021		
	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	\$ 21,099,973	\$ 15,485,641	\$ 10,736,927

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.

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

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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 2022, the State's pension contribution was more 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 non-employer 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2022, the State of New Jersey contributed \$16,065,326 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$4,411,084.

The employee contribution rate was 7.50% effective July 1, 2021

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

At June 30, 2022, the State's proportionate share of the net pension liability associated with the District was \$187,462,897. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.389%, which was an increase of 0.01% from its proportion measured as of June 30, 2020.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 7. 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)

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>187,462,897</u>
Total	<u>\$ 187,462,897</u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$4,411,084 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

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	\$ 153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$ 5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		12,903,483,645
				<u>5,289,559,561</u>
Difference Between Expected and Actual Experience	2014	8.30		1,464,605
	2015	8.50	57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
				<u>941,265,828</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		96,030,373
	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2021	5.00		3,554,633,811
			<u>2,854,036,178</u>	
			<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 7. 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)

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

Fiscal Year Ending June 30,	Total
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	\$ (20,990,267,071)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2018.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 7. 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

The following presents the State's proportionate share of net pension liability associated with the District as of June 30, 2021 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:

	June 30, 2021		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 221,799,921	\$ 187,462,897	\$ 158,621,955

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 \$208,535 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$283,166 for the fiscal year ended June 30, 2022.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

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 Employees 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 paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. 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 annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notice-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2020, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	150,427
Active Plan Members	213,901
Total	364,328

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

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%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years	3.25 - 15.25% based on service years
Thereafter	2.75 - 5.65% based on service years	3.00 - 7.00% based on service years	Not Applicable

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 – June 30, 2018 and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

Mortality Rates

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

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2021 was 2.16%. 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, 2020	\$ 236,149,456
Changes for Year:	
Service Cost	10,972,881
Interest on the Total OPEB Liability	5,474,710
Change in Benefit Terms	(224,631)
Difference between Actual and Expected Experience	(37,363,809)
Changes of Assumptions	208,211
Gross Benefit Payments by the State	(4,312,538)
Contributions from Members	139,961
Net Changes	(25,105,215)
Balance at June 30, 2021	\$ 211,044,241

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Non-employer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total non-employer OPEB Liability attributable to the District as of June 30, 2021, calculated using the discount rate as disclosed in this note, as well as what the total non-employer 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, 2021		
	At 1% Decrease (1.16%)	At Discount Rate (2.16%)	At 1% Increase (3.16%)
Total OPEB Liability Attributable to the District	\$ 252,797,870	\$ 211,044,241	\$ 178,165,765

Sensitivity of the Total Non-employer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total non-employer OPEB Liability attributable to the District as of June 30, 2021, calculated using the healthcare trend rate as disclosed in this note, as well as what the total non-employer 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, 2021		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 170,840,999	\$ 211,044,241	\$ 265,034,224

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

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$11,953,663 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, 2021 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, 2022

(Continued)

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (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		\$ 11,860,752
	2018	9.51		10,782,329
	2019	9.29	\$ 1,481,565	
	2020	9.24	34,133,737	
	2021	9.24	185,677	
			<u>35,800,979</u>	<u>22,643,081</u>
Differences between Expected and Actual Experience	2018			10,192,656
	2019	9.29		17,438,101
	2020	9.24	31,813,982	
	2021	9.24		35,707,372
			<u>31,813,982</u>	<u>63,338,129</u>
Changes in Proportion	N/A	N/A	<u>2,589,751</u>	<u>219,866</u>
			<u>\$ 70,204,712</u>	<u>\$ 86,201,076</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
2022	\$ (4,158,107)
2023	(4,158,107)
2024	(4,158,107)
2025	(4,158,107)
2026	(2,956,357)
Thereafter	<u>1,222,536</u>
	<u>\$ (18,366,249)</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. 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 Annual Comprehensive 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.

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.

Selected, summarized financial information for the Group as of June 30, 2022 is as follows:

	New Jersey Schools Insurance Group
Total Assets	\$ 419,556,712
Net Position	\$ 184,982,708
Total Revenue	\$ 134,563,842
Total Expenses	\$ 121,403,370
Change in Net Position	\$ 13,160,472
Members Dividends	\$ -0-

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 table on the following page 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.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$ 2,143	\$ 276,230	\$ 194,932	\$ 958,982
2020-2021	2,814	267,423	179,146	875,541
2019-2020	6,229	189,443	116,874	784,450

NOTE 10. 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 11. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,255,534	
Special Revenue Fund		\$ 1,255,534
Capital Projects Fund		498,447
Debt Service Fund	498,447	
	<u>\$ 1,753,981</u>	<u>\$ 1,753,981</u>

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 unexpended project balances in the Capital Projects Fund which were funded by serial bonds.

NOTE 12. 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.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 13. 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.

NOTE 14. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2022, the District transferred \$354,145 to the capital outlay accounts for equipment which did not require approval from the County Superintendent.

NOTE 15. 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, 2022, there were encumbrances as detailed below in the governmental funds.

General Fund	Total Governmental Funds
<hr/>	<hr/>
\$ 6,142,328	\$ 6,142,328
<hr/>	<hr/>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 16. ACCOUNTS PAYABLE

Accounts payable as of June 30, 2022 consisted of the following:

	<u>Governmental Funds</u>		District Contri- bution Subsequent to the Measure- ment Date	Total Governmental Activities	<u>Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>			<u>Proprietary Funds</u>
Vendors	\$ 1,442,362	\$ 566,664		\$ 2,009,026	\$ 5,234
State of New Jersey			\$ 1,559,291	1,559,291	
Payroll Deductions and Withholdings	469,513			469,513	
	<u>\$ 1,911,875</u>	<u>\$ 566,664</u>	<u>\$ 1,559,291</u>	<u>\$ 4,037,830</u>	<u>\$ 5,234</u>

NOTE 17. 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, 2021	\$ 3,890,353
Increased by:	
Transfer from Unassigned Fund Balance as per Board Resolution - June 2022	1,000,000
Interest Earnings	<u>27,629</u>
Ending Balance, June 30, 2022	<u>\$ 4,917,982</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
 (Continued)

NOTE 18. 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 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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 602,906
Increased by:	
Interest Earnings	4,097
Ending Balance, June 30, 2022	\$ 607,003

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

FAIR LAWN PUBLIC SCHOOLS
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICTS PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.1551818755%	0.1522285199%	0.1520364380%	0.1499850290%	0.1359914937%	0.1329959669%	0.1302019808%	0.1307191351%
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	\$ 15,485,641
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	\$ 8,745,131
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%	177.08%
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%	70.33%

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 1,279,297	\$ 1,308,757	\$ 1,354,684	\$ 1,394,926	\$ 1,357,170	\$ 1,297,630	\$ 1,424,344	\$ 1,460,309
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)	(1,460,309)
Contribution deficiency/(excess)	\$ -0-	\$ -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	\$ 8,758,624
Contributions as a percentage of covered employee payroll	13.16%	13.30%	14.39%	14.96%	14.82%	13.89%	16.29%	16.67%

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
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%	0.3899368939%
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	\$ 187,462,897
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	\$ 45,508,916
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%	411.93%
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%	35.52%

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	N/A	N/A	N/A	N/A	N/A	N/A	\$ 15,527,478	\$ 4,411,084
Contributions in relation to the contractually required contribution	N/A	N/A	N/A	N/A	N/A	N/A	(11,334,993)	(16,065,326)
Contribution deficiency/(excess)	N/A	N/A	N/A	N/A	N/A	N/A	\$ 4,192,485	\$ (11,654,242)
Districts covered employee payroll	\$ 38,887,483	\$ 38,830,986	\$ 39,973,439	\$ 40,629,471	\$ 42,459,901	\$ 43,906,652	\$ 45,508,916	\$ 47,330,279
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	24.91%	33.94%

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 FIVE FISCAL YEARS

	Fiscal Year Ending June 30,				
	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 8,088,181	\$ 6,718,004	\$ 5,831,926	\$ 6,056,637	\$ 10,972,881
Interest	5,887,159	6,837,176	6,353,472	5,235,840	5,474,710
Changes of Benefit Terms					(224,631)
Differences between Expected and Actual Experience		(16,826,160)	(24,992,778)	40,192,214	(37,363,809)
Changes in Assumptions	(24,043,354)	(18,416,702)	2,169,640	43,136,391	208,111
Member Contributions	158,908	148,317	132,411	124,609	139,961
Gross Benefit Payments	(4,315,517)	(4,291,369)	(4,466,875)	(4,111,168)	(4,312,538)
Net Change in Total OPEB Liability	(14,224,623)	(25,830,734)	(14,972,204)	90,634,523	(25,105,315)
Total OPEB Liability - Beginning	200,542,494	186,317,871	160,487,137	145,514,933	236,149,456
Total OPEB Liability - Ending	<u>\$ 186,317,871</u>	<u>\$ 160,487,137</u>	<u>\$ 145,514,933</u>	<u>\$ 236,149,456</u>	<u>\$ 211,044,141</u>
District's Covered Employee Payroll *	\$ 48,667,963	\$ 49,385,578	\$ 49,956,189	\$ 51,620,624	\$ 53,251,015
Total OPEB Liability as a Percentage of Covered Employee Payroll	383%	325%	291%	457%	396%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2021 are based on the payroll on the June 30, 2016 - 2020 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, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

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, 2021 was 2.16%. The discount rate for June 30, 2020 was 2.21%, a change of -.05%.

The salary increases for TPAF/ABP for thereafter were 1.55 – 4.45% in the valuation as of June 30, 2020 while the salary increases for TPAF/ABP for thereafter are 2.75 – 5.65% in the valuation as of June 30, 2021.

The salary increases for PFRS for thereafter were applied to all future years in the valuation as of June 30, 2020 while the salary increases for PFRS for thereafter are not applicable in the valuation as of June 30, 2021.

The mortality rates in the valuation as of June 30, 2021 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-2021. 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-2021. 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-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

FAIR LAWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 92,788,775		\$ 92,788,775	\$ 92,788,775	
Tuition From Individuals				43,116	\$ 43,116
Tuition From Other LEAs Within the State				168,593	43,055
Tuition From Summer School	125,538		125,538	2,925	2,925
Transportation Fees From Individuals	40,000		40,000	81,740	41,740
Unrestricted Miscellaneous Revenues	49,114		49,114	269,317	220,203
Interest Earned on Emergency Reserve				4,097	4,097
Interest Earned on Maintenance Reserve				27,629	27,629
Interest Earned on Capital Reserve Funds	2,000		2,000	22,733	20,733
Other Restricted Miscellaneous Revenues	2,258,553		2,258,553	2,114,685	(143,868)
Total Revenues from Local Sources	95,263,980		95,263,980	95,523,610	259,630
Revenues from State Sources:					
Categorical Transportation Aid	840,898		840,898	840,898	
Extraordinary Aid	555,992		555,992	3,006,677	2,450,685
Categorical Special Education Aid	4,363,870		4,363,870	4,363,870	
Equalization Aid	6,048,853		6,048,853	6,048,853	
Categorical Security Aid	464,041		464,041	464,041	
Nonpublic Transportation Aid				148,190	148,190
Homeless Tuition Reimbursement				148,370	148,370
Other State Aids - Securing Our Childrens' Future Bond Act				281,979	281,979
TPAF Post Retirement Contributions (Non-Budgeted)				3,806,466	3,806,466
TPAF Pension Contributions (Non-Budgeted)				16,065,326	16,065,326
TPAF Non-Contributory Insurance (Non-Budgeted)				226,659	226,659
TPAF Long-Term Disability Insurance (Non-Budgeted)				6,116	6,116
Reimbursed TPAF Social Security Contributions				3,402,877	3,402,877
Total Revenues from State Sources	12,273,654		12,273,654	38,810,322	26,536,668
Revenues from Federal Sources:					
Medicaid Reimbursement	60,953		60,953	68,957	8,004
Total Revenues from Federal Sources	60,953		60,953	68,957	8,004
TOTAL REVENUE	107,598,587		107,598,587	134,402,889	26,804,302

FAIR LAWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 1,091,110	\$ 104,443	\$ 1,195,553	\$ 1,150,530	\$ 45,023
Grades 1-5 - Salaries of Teachers	11,165,935	(194,700)	10,971,235	10,679,482	291,753
Grades 6-8 - Salaries of Teachers	8,390,881	(292,305)	8,098,576	7,997,423	101,153
Grades 9-12 - Salaries of Teachers	9,449,230	(86,861)	9,362,369	9,214,214	148,155
Regular Programs - Home Instruction:					
Salaries of Teachers	105,540	14,724	120,264	109,249	11,015
Purchased Professional-Educational Services	20,022	38,474	58,496	44,555	13,941
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	889,942	147,841	1,037,783	1,032,032	5,751
Other Purchased Services (400-500 series)	246,103	(228,270)	17,833	12,108	5,725
General Supplies	1,350,387	394,774	1,745,161	1,648,065	97,096
Textbooks	103,924	25,098	129,022	111,886	17,136
Other Objects	461,911	(282,962)	178,949	168,390	10,559
Total Regular Programs - Instruction	33,274,985	(359,744)	32,915,241	32,167,934	747,307
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	881,354	(145,160)	736,194	731,706	4,488
Other Salaries for Instruction	719,741	11,552	731,293	669,958	61,335
Purchased Professional-Educational Services	32,381	291	32,672	25,787	6,885
General Supplies	2,608		2,608	1,702	906
Textbooks	3,500	(2,687)	813	799	14
Total Learning and/or Language Disabilities	1,639,584	(136,004)	1,503,580	1,429,952	73,628
Behavioral Disabilities:					
Salaries of Teachers	372,939	114,895	487,834	487,834	
Other Salaries for Instruction	240,981	749	241,730	240,699	1,031
Purchased Professional-Educational Services	19,056	159	19,215	16,503	2,712
General Supplies	1,406		1,406	659	747
Textbooks	3,000	(3,000)			
Other Objects	1,000		1,000		1,000
Total Behavioral Disabilities	638,382	112,803	751,185	745,695	5,490

FAIR LAWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of Teachers	\$ 288,152	\$ 3,197	\$ 291,349	\$ 291,349	
Other Salaries for Instruction	441,613	183,762	625,375	616,008	\$ 9,367
Purchased Professional-Educational Services	11,218	142	11,360	9,764	1,596
General Supplies	14,761	(4,903)	9,858	9,858	
Other Objects	1,447		1,447	1,279	168
Total Multiple Disabilities	757,191	182,198	939,389	928,258	11,131
Resource Room/Resource Center:					
Salaries of Teachers	3,797,866	(25,560)	3,772,306	3,679,488	92,818
Purchased Professional-Educational Services	51,408	(1,065)	50,343	38,225	12,118
General Supplies	7,552	(3,200)	4,352	2,744	1,608
Textbooks	3,000	(600)	2,400	396	2,004
Total Resource Room/Resource Center	3,859,826	(30,425)	3,829,401	3,720,853	108,548
Autism:					
Salaries of Teachers	678,723	53,258	731,981	729,772	2,209
Other Salaries for Instruction	881,362	(23,263)	858,099	793,312	64,787
Purchased Professional-Educational Services	47,340	(9,651)	37,689	23,293	14,396
General Supplies	16,287	10,871	27,158	26,902	256
Total Autism	1,623,712	31,215	1,654,927	1,573,279	81,648
Preschool Disabilities - Part-Time:					
Salaries of Teachers	355,120	4,153	359,273	359,273	
Other Salaries for Instruction	171,624	28,013	199,637	199,637	
Purchased Professional-Educational Services	27,092	1,175	28,267	15,087	13,180
General Supplies	2,314	(900)	1,414	1,271	143
Total Preschool Disabilities - Part-Time	556,150	32,441	588,591	575,268	13,323
Preschool Disabilities - Full-Time:					
Salaries of Teachers	216,726	(6,687)	210,039	209,189	850
Other Salaries for Instruction	473,340	136,934	610,274	589,377	20,897
Purchased Professional-Educational Services	15,008	149	15,157	11,216	3,941
General Supplies	1,756	1,991	3,747	2,959	788
Other Objects	1,000		1,000	799	201
Total Preschool Disabilities - Full-Time	707,830	132,387	840,217	813,540	26,677

FAIR LAWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home Instruction:					
Salaries of Teachers	\$ 114,530	\$ (845)	\$ 113,685	\$ 105,729	\$ 7,956
Purchased Professional-Educational Services	115,800	117,568	233,368	208,557	24,811
Total Home Instruction	230,330	116,723	347,053	314,286	32,767
TOTAL SPECIAL EDUCATION - INSTRUCTION	10,013,005	441,338	10,454,343	10,101,131	353,212
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	212,912		212,912	163,719	49,193
General Supplies	33,913	(6,559)	27,354	20,741	6,613
Total Basic Skills/Remedial - Instruction	246,825	(6,559)	240,266	184,460	55,806
Bilingual Education - Instruction:					
Salaries of Teachers	1,021,410	2,850	1,024,260	1,024,260	
General Supplies	16,445	3,603	20,048	18,233	1,815
Other Objects		835	835	835	
Total Bilingual Education - Instruction	1,037,855	7,288	1,045,143	1,043,328	1,815
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	488,857	10,260	499,117	453,886	45,231
Supplies and Materials	9,500	1,292	10,792	5,556	5,236
Other Objects	44,000	320	44,320	39,349	4,971
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	542,357	11,872	554,229	498,791	55,438
School-Sponsored Athletics - Instruction:					
Salaries	653,996	26,073	680,069	643,576	36,493
Purchased Services (300-500 series)	159,076	(19,852)	139,224	100,240	38,984
Supplies and Materials	88,598	3,464	92,062	62,773	29,289
Other Objects	148,506	(6,002)	142,504	123,308	19,196
Total School-Sponsored Athletics - Instruction	1,050,176	3,683	1,053,859	929,897	123,962
Summer School - Instruction:					
Salaries of Teachers	50,000	(49,815)	185		185
Total Summer School - Instruction	50,000	(49,815)	185		185
Total Summer School	50,000	(49,815)	185		185

FAIR LAWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Supplemental/At Risk Programs - Instruction:					
Salaries of Teachers	\$ 1,128,475	\$ 10,975	\$ 1,139,450	\$ 1,135,765	\$ 3,685
Salaries of Reading Specialists	196,570		196,570	196,570	
General Supplies	300		300		300
Total Other Suppl/at-risk Prog - Instruction	1,325,345	10,975	1,336,320	1,332,335	3,985
Total Other Supplemental/at-risk Programs	1,325,345	10,975	1,336,320	1,332,335	3,985
TOTAL INSTRUCTION	47,540,548	59,038	47,599,586	46,257,876	1,341,710
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	197,952		197,952	128,301	69,651
Tuition to County Voc. School Dist.-Regular	626,832	81,840	708,672	696,438	12,234
Tuition to County Voc. School Dist.-Special	266,895		266,895	255,507	11,388
Tuition to CSSD & Reg. Day Schools	1,598,855	(135,256)	1,463,599	1,379,504	84,095
Tuition to Priv. Sch. for the Handicap. W/1 State	5,260,866	(549,742)	4,711,124	2,633,011	2,078,113
Tuition - State Facilities	39,872		39,872		39,872
Tuition - Other	97,946	21,984	119,930	111,146	8,784
Total Undistributed Expenditures - Instruction	8,089,218	(581,174)	7,508,044	5,203,907	2,304,137
Undistributed Expend. - Attend. & Social Work:					
Salaries	62,911	1,707	64,618	61,388	3,230
Total Undist. Expend. - Attendance and Social Work	62,911	1,707	64,618	61,388	3,230
Undistributed Expenditures - Health Services:					
Salaries	862,097	88,980	951,077	907,966	43,111
Purchased Professional and Technical Services	1,140,590	102,940	1,243,530	1,179,595	63,935
Other Purchased Services (400-500 series)	4,427	8,551	12,978	12,448	530
Supplies and Materials	104,846	32,418	137,264	132,039	5,225
Other Objects	6,834	(6,691)	143	143	
Total Undist. Expenditures - Health Services	2,118,794	226,198	2,344,992	2,232,191	112,801
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	2,040,097	(25,142)	2,014,955	1,961,135	53,820
Purchased Professional - Educational Services	872,299	(92,852)	779,447	580,412	199,035
Supplies and Materials	14,214	3,000	17,214	9,597	7,617
Total Undist. Expend. - Speech, OT, PT, Related Svcs	2,926,610	(114,994)	2,811,616	2,551,144	260,472

FAIR LAWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Supp. Serv. - Students - Extra. Serv.:					
Purchased Professional - Educational Services	\$ 68,315	\$ (68,315)			
Supplies and Materials	25,460	(14,742)	\$ 10,718	\$ 5,144	\$ 5,574
Total Undist. Expend. - Other Supp. Srvs. - Students - Extra. Serv.	93,775	(83,057)	10,718	5,144	5,574
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	1,328,366	(27,475)	1,300,891	1,272,797	28,094
Salaries of Secretarial and Clerical Assistants	244,718	22,943	267,661	252,216	15,445
Other Salaries	155,053	(10,156)	144,897	144,885	12
Supplies and Materials	3,000	1,000	4,000	678	3,322
Other Objects	15,500	(1,000)	14,500	13,213	1,287
Total Undist. Expend. - Guidance	1,746,637	(14,688)	1,731,949	1,683,789	48,160
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	2,348,093	(29,673)	2,318,420	2,283,361	35,059
Salaries of Secretarial and Clerical Assistants	219,820	16,735	236,555	236,555	
Other Salaries	2,160,392	(342,494)	1,817,898	1,793,918	23,980
Purchased Professional - Educational Services	324,688	221,583	546,271	500,225	46,046
Other Purchased Services (400-500 series)	7,500	(1,092)	6,408	5,058	1,350
Supplies and Materials	26,655	13,150	39,805	24,211	15,594
Other Objects	7,821	(3,650)	4,171	1,283	2,888
Total Undist. Expend. - Child Study Team	5,094,969	(125,441)	4,969,528	4,844,611	124,917
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Other Professional Staff	480,050	(36)	480,014	480,014	
Salaries of Secretarial and Clerical Assistants	101,142	4,345	105,487	105,487	
Other Salaries	52,025	8,708	60,733	60,733	
Sal of Facilitators, Math Coaches & Literacy Coaches	54,143	(3,754)	50,389	39,505	10,884
Other Purchased Services (400-500 series)	2,500		2,500	609	1,891
Supplies and Materials	2,676		2,676	1,592	1,084
Other Objects	1,200	821	2,021	89	1,932
Total Undist. Expend. - Improv. of Inst. Serv.	693,736	10,084	703,820	688,029	15,791

FAIR LAWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	\$ 420,398	\$ (63)	\$ 420,335	\$ 412,199	\$ 8,136
Salaries of Technology Coordinators	348,263	(894)	347,369	347,369	
Supplies and Materials	54,711	1,562	56,273	54,999	1,274
Total Undist Expend.-Edu. Media Serv./Sch. Library	823,372	605	823,977	814,567	9,410
Undist.Expend.-Instructional Staff Training Services:					
Salaries of Other Professional Staff	231,218	2,115	233,333	233,333	
Other Salaries	2,910	(2,910)			
Purchased Professional - Educational Service	54,900	(821)	54,079	27,468	26,611
Other Purchased Services (400-500 series)	23,240	20	23,260	13,014	10,246
Supplies and Materials	1,000		1,000	21	979
Other Objects	4,000		4,000	4,000	
Total Undist.Expend.-Instructional Staff Training Services	317,268	(1,596)	315,672	277,836	37,836
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	300,427	10,000	310,427	309,209	1,218
Legal Services	201,806	127,829	329,635	196,657	132,978
Audit Fees	95,000	1,000	96,000	45,000	51,000
Architectural/Engineering Services	62,321	2,998	65,319	65,319	
Other Purchased Professional Services	25,388	4,102	29,490	29,490	
Purchased Technical Services		5,907	5,907	5,907	
Communications / Telephone	234,149	(63,440)	170,709	116,507	54,202
BOE Other Purchased Services	5,814	(3,156)	2,658	878	1,780
Other Purch. Serv. (400-500 series other than 530 & 585)	44,613	218	44,831	44,148	683
General Supplies	2,653	2,679	5,332	4,783	549
Judgments Against The School District	66,800	2,108	68,908	40,215	28,693
Miscellaneous Expenditures	46,406	(10,311)	36,095	34,913	1,182
Total Undist. Expend.-Support Serv.-Gen. Admin.	1,085,377	79,934	1,165,311	893,026	272,285

FAIR LAWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-School Admn.:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 3,032,300	\$ 27,521	\$ 3,059,821	\$ 3,052,750	\$ 7,071
Salaries of Other Professional Staff	490,060	1,953	492,013	492,013	
Salaries of Secretarial and Clerical Assistants	886,180	50,785	936,965	908,352	28,613
Other Salaries	56,750	(54,308)	2,442		2,442
Other Objects	35,849	2,634	38,483	36,188	2,295
Total Undist. Expend.-Support Serv.-School Adm.	4,501,139	28,585	4,529,724	4,489,303	40,421
Undist. Expend. - Central Services:					
Salaries	1,369,602	(13,980)	1,355,622	1,355,506	116
Unused Vacation Payment to Terminated/Retired Staff		31,525	31,525	31,525	
Purchased Professional Services	104,355	(33,436)	70,919	52,283	18,636
Purchased Technical Services	81,261	36,556	117,817	116,372	1,445
Miscellaneous Purchased Services (400-500 series other than 594)	85,154	(18,230)	66,924	45,418	21,506
Supplies and Materials	8,862	7,674	16,536	15,768	768
Other Objects	11,758	(1,279)	10,479	10,258	221
Total Undist. Expend. - Central Services	1,660,992	8,830	1,669,822	1,627,130	42,692
Undist. Expend. - Admin. Info. Technology:					
Salaries	747,066	(100,851)	646,215	646,155	60
Purchased Professional Services	214,600	109,136	323,736	246,892	76,844
Purchased Technical Services	376,742	14,405	391,147	319,258	71,889
Other Purchased Services (400-500 series)	171,449	33,797	205,246	149,248	55,998
Supplies and Materials	42,750	3,625	46,375	46,375	
Other Objects	160,092	(57,125)	102,967	102,967	
Total Undist. Expend. - Admin. Info. Technology	1,712,699	2,987	1,715,686	1,510,895	204,791
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	770,953	(2,978)	767,975	767,636	339
Cleaning, Repair, and Maintenance Services	708,108	225,052	933,160	764,787	168,373
Lead Testing of Drinking Water	30,000	(20,250)	9,750	9,750	
General Supplies	327,838	(58,772)	269,066	253,767	15,299
Total Undist. Expend.- Required Maint. for School Facilities	1,836,899	143,052	1,979,951	1,795,940	184,011

FAIR LAWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 1,030,008	\$ 20,499	\$ 1,050,507	\$ 1,048,275	\$ 2,232
Salaries of Non-Instructional Aides	483,935	(65,719)	418,216	407,216	11,000
Unused Vacation Payment to Terminated/Retired Staff		11,081	11,081	11,081	
Purchased Professional and Technical Services	69,425	(25,339)	44,086	31,430	12,656
Cleaning, Repair, and Maintenance Services	2,851,081	51,069	2,902,150	2,897,573	4,577
Other Purchased Property Services	73,898	53,271	127,169	113,004	14,165
Insurance	546,274	(98,722)	447,552	447,192	360
Miscellaneous Purchased Services	40,800	(14,709)	26,091	26,045	46
General Supplies	344,008	60,760	404,768	397,376	7,392
Energy (Natural Gas)	584,462	(68,874)	515,588	419,639	95,949
Energy (Electricity)	1,126,358	(48,609)	1,077,749	893,452	184,297
Energy (Gasoline)	37,090	26,646	63,736	63,736	
Other Objects	18,845	37,208	56,053	53,988	2,065
Total Undist. Expend.-Custodial Services	7,206,184	(61,438)	7,144,746	6,810,007	334,739
Care and Upkeep of Grounds:					
Salaries	285,827	(18,713)	267,114	263,288	3,826
Unused Vacation Payment to Terminated/Retired Staff		475	475	475	
Cleaning, Repair, and Maintenance Services	104,381	47,355	151,736	146,736	5,000
General Supplies	20,968	49,493	70,461	51,561	18,900
Total Care And Upkeep Of Grounds	411,176	78,610	489,786	462,060	27,726
Security:					
Salaries	284,327	21,706	306,033	297,431	8,602
Purchased Professional and Technical Services		6,994	6,994	6,848	146
Cleaning, Repair, and Maintenance Services	592,245	38,259	630,504	535,915	94,589
General Supplies	67,672	(12,041)	55,631	55,631	
Other Objects	100	4,550	4,650	4,650	
Total Security	944,344	59,468	1,003,812	900,475	103,337
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	10,398,603	219,692	10,618,295	9,968,482	649,813

FAIR LAWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Salaries of Non-Instructional Aides	\$ 3,189	\$ (779)	\$ 2,410	\$ 2,410	\$ 2,410
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	225,649	26,689	252,338	239,273	13,065
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	956,894	(120,573)	836,321	687,827	148,494
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	262,486	(16,975)	245,511	233,117	12,394
Unused Vacation Payment to Terminated/Retired Staff		1,475	1,475	1,475	
Management Fee - ESC&CTSA Transportation Program	47,000	10,366	57,366	57,139	227
Other Purchased Professional and Technical Services	510	(471)	39	39	
Cleaning, Repair, and Maint. Services	91,883	2,660	94,543	94,435	108
Lease Purchase Payments - School Buses	178,514	(143,978)	34,536	17,268	17,268
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	500,500	(500)	500,000	473,754	26,246
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	55,500	(44,916)	10,584	7,738	2,846
Contract. Serv.(Spl. Ed. Students)-Vendors	322,000	32,342	354,342	343,264	11,078
Contract. Serv.(Reg. Students)-ESCs & CTSA	175,000	47,705	222,705	220,246	2,459
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA	965,000	290,394	1,255,394	1,231,601	23,793
Misc. Purchased Serv. - Transportation	55,599	(11,339)	44,260	39,852	4,408
General Supplies	70,844	(18,968)	51,876	35,041	16,835
Transportation Supplies	30,000	(12,839)	17,161	13,915	3,246
Other Objects	25,341	179	25,520	23,390	2,130
Total Undist. Expend.-Student Trans. Serv.	3,965,909	40,472	4,006,381	3,719,335	287,046
UNALLOCATED BENEFITS					
Group Insurance		71,710	71,710	71,710	
Social Security Contributions	1,392,560		1,392,560	1,322,242	70,318
Other Retirement Contributions - PERS	1,650,600	(78,682)	1,571,918	1,460,309	111,609
Other Retirement Contributions - Regular	162,240	46,295	208,535	208,535	
Unemployment Compensation		194,932	194,932	194,932	
Workers Compensation	1,121,461		1,121,461	983,568	137,893
Health Benefits	13,812,217	(198,476)	13,613,741	9,776,393	3,837,348
Tuition Reimbursement	120,000	6,788	126,788	126,788	
Other Employee Benefits	11,500	1,300	12,800	7,404	5,396
Unused Sick Payment to Terminated/Retired Staff	200,000		200,000	77,713	122,287
TOTAL UNALLOCATED BENEFITS	18,470,578	(151,065)	18,319,513	14,229,594	4,089,919

FAIR LAWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				\$ 3,806,466	\$ (3,806,466)
TPAF Pension Contributions (Non-Budgeted)				16,065,326	(16,065,326)
TPAF Non-Contributory Insurance (Non-Budgeted)				226,659	(226,659)
TPAF Long-Term Disability Insurance (Non-Budgeted)				6,116	(6,116)
Reimbursed TPAF Social Security Contributions				3,402,877	(3,402,877)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				23,507,444	(23,507,444)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 18,470,578	\$ (151,065)	\$ 18,319,513	37,737,038	(19,417,525)
TOTAL UNDISTRIBUTED EXPENDITURES	63,762,587	(452,921)	63,309,666	78,307,815	(14,998,149)
TOTAL GENERAL CURRENT EXPENSE	111,303,135	(393,883)	110,909,252	124,565,691	(13,656,439)
CAPITAL OUTLAY					
Equipment:					
Grades 1-5	17,274	45,072	62,346	44,756	17,590
Grades 6-8	16,036	(11,910)	4,126	4,126	
Grades 9-12	86,357	96,222	182,579	94,527	88,052
Special Education - Instruction:	5,317		5,317	5,317	
Learning and/or Language Disabilities		3,082	3,082	3,082	
Resource Room/Resource Center		9,145	9,145		9,145
Preschool Disabilities - Part-Time		9,145	9,145		9,145
Preschool Disabilities - Full-Time					
Undistributed:					
Undistributed Expenditures - Admin. Info. Tech.	173,960	120,827	294,787	175,004	119,783
Undist. Expend. - Required Maint for School Fac.	16,386	67,071	83,457	52,210	31,247
Undist. Expend. - Custodial Services		18,856	18,856	18,856	
Undist. Expend. - Care and Upkeep of Grounds	120,614	7,130	127,744	127,744	
Undist. Expend. - Security	39,739	26,694	66,433	61,588	4,845
School Buses - Special	69,784	2,550	72,334	72,334	
Total Equipment	545,467	393,884	939,351	659,544	279,807

FAIR LAWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Serv.:					
Construction Services					
Assessment for Debt Service on SDA Funding	\$ 4,910,795	(1)	\$ 4,910,794	\$ 448,872	\$ 4,461,922
Total Facilities Acquisition and Const. Serv.	77,256		77,256	77,256	
TOTAL CAPITAL OUTLAY	4,988,051	(1)	4,988,050	526,128	4,461,922
	5,533,518	393,883	5,927,401	1,185,672	4,741,729
SPECIAL SCHOOLS					
Other Special Schools - Instruction:					
Salaries of Teachers	25,000		25,000	23,274	1,726
General Supplies	600		600	298	302
Total Other Special Schools - Instruction	25,600		25,600	23,572	2,028
Total Other Special Schools	25,600		25,600	23,572	2,028
Adult Education-Local-Instruction:					
Salaries of Teachers	467,110		467,110	330,913	136,197
Other Salaries for Instruction	302,295	(1,208)	301,087	234,508	66,579
Purchased Professional and Technical Services	49,957	101,758	151,715	28,044	123,671
General Supplies	175,466	23,028	198,494	90,468	108,026
Other Objects	178,412	16,379	194,791	57,478	137,313
Total Adult Education-Local-Instruction	1,173,240	139,957	1,313,197	741,411	571,786
Adult Education-Local-Support Serv.:					
Salaries	588,926	(138,714)	450,212	314,222	135,990
Purchased Professional and Technical Services	35,408		35,408	19,898	15,510
Other Purchased Services (400-500 series)	228,318	520	228,838	191,187	37,651
Other Objects	300,478	(1,763)	298,715	186,890	111,825
Total Adult Education-Local-Support Serv.	1,153,130	(139,957)	1,013,173	712,197	300,976
Total Adult Education - Local	2,326,370		2,326,370	1,453,608	872,762
TOTAL SPECIAL SCHOOLS	2,351,970		2,351,970	1,477,180	874,790
Transfer of Funds to Charter Schools	139,300		139,300	109,989	29,311
	139,300		139,300	109,989	29,311
TOTAL EXPENDITURES	119,327,923		119,327,923	127,338,532	(8,010,609)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(11,729,336)		(11,729,336)	7,064,357	18,793,693

FAIR LAWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Capital Reserve - Transfer to Debt Service Fund	\$ (600,000)		\$ (600,000)	\$ (600,000)	
Total Other Financing Sources/(Uses)	<u>(600,000)</u>		<u>(600,000)</u>	<u>(600,000)</u>	
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(12,329,336)		(12,329,336)	6,464,357	18,793,693
Fund Balance, July 1	38,458,674		38,458,674	38,458,674	
Fund Balance, June 30	<u>\$ 26,129,338</u>	<u>\$ -0-</u>	<u>\$ 26,129,338</u>	<u>\$ 44,923,031</u>	<u>\$ 18,793,693</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:				\$	
Excess Surplus - Restricted For 2023-2024				1,975,930	
Capital Reserve				21,568,687	
Maintenance Reserve				4,917,982	
Emergency Reserve				607,003	
Unemployment Compensation				958,982	
Assigned Fund Balance:					
Year End Encumbrances				6,142,328	
Designated for Subsequent Year's Expenditures				2,000,000	
Unassigned Fund Balance				6,752,119	
				<u>44,923,031</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(1,076,051)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 43,846,980</u>	

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 500,000	\$ 53,051	\$ 553,051	\$ 405,005	\$ (148,046)
State Sources	42,763	321,327	364,090	343,679	(20,411)
Federal Sources	1,428,606	4,393,268	5,821,874	4,114,828	(1,707,046)
Total Revenues	1,971,369	4,767,646	6,739,015	4,863,512	(1,875,503)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	235,995	647,505	883,500	615,474	268,026
Other Salaries for Instruction		122,455	122,455	107,956	14,499
Other Purchased Professional Services	7,884	197,278	205,162	91,457	113,705
Tuition	1,010,301	252,223	1,262,524	1,262,524	
General Supplies	27,702	870,263	897,965	867,683	30,282
Total Instruction	1,281,882	2,089,724	3,371,606	3,011,047	360,559
Support Services:					
Salaries of Program Directors	10,484	59,714	70,198	10,812	59,386
Salaries of Other Professional Staff	6,435	(1,790)	4,645		4,645
Personal Services - Employee Benefits	19,349	138,998	158,347	106,041	52,306
Other Purchased Professional Services	81,254	933,346	1,014,600	396,499	618,101
Other Purchased Services	41,396	453,188	494,584	148,065	346,519
Supplies and Materials	12,192	636,471	648,663	468,021	180,642
Other Objects	18,377	124,227	142,604	13,638	128,966
Student Activities	500,000		500,000	295,017	204,983
Scholarship Awards		5,300	5,300	5,300	
Total Support Services	689,487	2,349,454	3,038,941	1,443,393	1,595,548
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment		315,949	315,949	315,933	16
Instructional Equipment		12,519	12,519	12,519	
Total Facilities Acquisition and Construction Services		328,468	328,468	328,452	16
Total Expenditures	\$ 1,971,369	\$ 4,767,646	\$ 6,739,015	\$ 4,782,892	\$ 1,956,123
Excess of Revenues Over Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 80,620	\$ 80,620

FAIR LAWN PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	\$ 134,402,889	\$ 4,863,512
Difference - Budgetary to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	648,675	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,076,051)	
	<u>\$ 133,975,513</u>	<u>\$ 4,863,512</u>
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds		
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 127,338,532	\$ 4,782,892
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 127,338,532</u>	<u>\$ 4,782,892</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, 2022 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 PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Elementary and Secondary Education Act				I.D.E.A.		A.R.P. I.D.E.A. Preschool	A.R.P. I.D.E.A. Preschool
	Title I	Title IIA	Title III	Title IV	I.D.E.A. Part B, Basic	I.D.E.A. Part B, Basic		
REVENUES:								
Local Sources								
State Sources								
Federal Sources	\$ 192,514	\$ 70,051	\$ 52,929	\$ 4,958	\$ 1,230,895	\$ 204,184	\$ 13,928	\$ 13,928
Total Revenues	\$ 192,514	\$ 70,051	\$ 52,929	\$ 4,958	\$ 1,230,895	\$ 204,184	\$ 13,928	\$ 13,928
EXPENDITURES:								
Instruction:								
Salaries of Teachers	170,460		35,942			65,860		12,938
Other Salaries for Instruction						95,018		
Other Purchased Professional Services					1,223,395		39,129	
Tuition			6,310			1,052		
General Supplies			42,252		1,223,395	161,930		12,938
Total Instruction	\$ 170,460		\$ 42,252		\$ 1,223,395	\$ 161,930	\$ 39,129	\$ 12,938
Support Services:								
Salaries of Program Directors		3,325	3,719	3,768				
Personal Services - Employee Benefits	12,887	38	3,035	288		42,254		990
Other Purchased Professional Services		25,000			7,500			
Other Purchased Services		38,352	2,885	805				
Supplies and Materials								
Other Objects	9,167	3,336	1,038	97				
Student Activities								
Scholarship Awards								
Total Support Services	\$ 22,054	\$ 70,051	\$ 10,677	\$ 4,958	\$ 7,500	\$ 42,254	\$ 990	\$ 990
Facilities Acquisition and Construction Services:								
Non-Instructional Equipment								
Instructional Equipment								
Total Facilities Acquisition and Construction Services	\$ 192,514	\$ 70,051	\$ 52,929	\$ 4,958	\$ 1,230,895	\$ 204,184	\$ 39,129	\$ 13,928
Total Expenditures	\$ 192,514	\$ 70,051	\$ 52,929	\$ 4,958	\$ 1,230,895	\$ 204,184	\$ 39,129	\$ 13,928
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

FAIR LAWN PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

REVENUES:	Nonpublic Handicapped Services		Nonpublic Auxiliary Services		Nonpublic Textbooks	Nonpublic Technology Initiative	Nonpublic Nursing	Nonpublic Security
	Examination and Classification	Supplementary Instruction	Corrective Speech	Compensatory Education				
Local Sources	\$ 55,869	\$ 24,924	\$ 1,367	\$ 2,508	\$ 21,281	\$ 14,772	\$ 35,506	\$ 65,135
State Sources								
Federal Sources								
Total Revenues	55,869	24,924	1,367	2,508	21,281	14,772	35,506	65,135
EXPENDITURES:								
Instruction:								
Salaries of Teachers								
Other Salaries for Instruction							20,624	
Other Purchased Professional Services								
Tuition					21,281	14,772	14,882	
General Supplies					21,281	14,772	35,506	
Total Instruction					21,281	14,772	35,506	
Support Services:								
Salaries of Program Directors								
Personal Services - Employee Benefits								
Other Purchased Professional Services	55,869	24,924	1,367	2,508				65,135
Other Purchased Services								
Supplies and Materials								
Other Objects								
Student Activities								
Scholarship Awards								
Total Support Services	55,869	24,924	1,367	2,508				65,135
Facilities, Acquisition and Construction Services:								
Non-Instructional Equipment								
Instructional Equipment								
Total Facilities Acquisition and Construction Services								
Total Expenditures	55,869	24,924	1,367	2,508	21,281	14,772	35,506	65,135
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

FAIR LAWN PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Education Stabilization Fund					
	COVID-19 C.R.R.S.A.	Learning Acceleration	Mental Health	ESSER III	COVID-19 A.R.P. Accelerated Learning Coach and Educator Support	Evidence Based Comprehensive Beyond the School Day
REVENUES:						
Local Sources						
State Sources						
Federal Sources						
Total Revenues	\$ 712,270	\$ 32,600	\$ 45,000	\$ 1,328,702	\$ 69,126	\$ 37,972
	712,270	32,600	45,000	1,328,702	69,126	37,972
EXPENDITURES:						
Instruction:						
Salaries of Teachers	298,067				45,145	
Other Salaries for Instruction		32,600				37,972
Other Purchased Professional Services				738,255		
Tuition	68,018					
General Supplies				738,255		37,972
Total Instruction	366,085	32,600			45,145	
Support Services:						
Salaries of Program Directors					23,981	
Personal Services - Employee Benefits	22,568					
Other Purchased Professional Services	233,767		45,000			
Other Purchased Services				104,698		
Supplies and Materials	89,850			292,133		
Student Activities						
Scholarship Awards						
Total Support Services	346,185		45,000		396,831	
Facilities Acquisition and Construction Services:						
Non-Instructional Equipment				193,616		
Instructional Equipment						
Total Facilities Acquisition and Construction Services				193,616		
Total Expenditures	712,270	32,600	45,000	1,328,702	69,126	37,972
	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Excess/(Deficit) of Revenues Over/(Under) Expenditures						

FAIR LAWN PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ACSERS	Perkins Secondary Application	SDA Emergent and Capital Maintenance Needs	Local Donations	Student Activities	Scholarships	Totals
REVENUES:							
Local Sources			\$ 122,317	\$ 24,068	\$ 378,541	\$ 2,396	\$ 405,005
State Sources	65,953	14,617					343,679
Federal Sources							4,114,828
Total Revenue	65,953	14,617	122,317	24,068	378,541	2,396	4,863,512
EXPENDITURES:							
Instruction:							
Salaries of Teachers							615,474
Other Salaries for Instruction		261					107,956
Other Purchased Professional Services	65,953	512		2,601			91,457
Tuition							1,262,524
General Supplies		773					867,683
Total Instruction	65,953	773		2,601			3,011,047
Support Services:							
Salaries of Program Directors							10,812
Personal Services - Employee Benefits							106,041
Other Purchased Professional Services		1,325		564			396,499
Other Purchased Services				20,903			148,065
Supplies and Materials							468,021
Other Objects							13,638
Student Activities					295,017		295,017
Scholarship Awards						5,300	5,300
Total Support Services		1,325		21,467	295,017	5,300	1,443,393
Facilities Acquisition and Construction Services:							
Non-Instructional Equipment		12,519	122,317				315,933
Instructional Equipment		12,519	122,317				12,519
Total Facilities Acquisition and Construction Services		25,038	244,634				328,452
Total Expenditures	65,953	14,617	122,317	24,068	295,017	5,300	4,782,892
Excess/(Deficit) of Revenues Over/(Under) Expenditures	-0-	-0-	-0-	-0-	\$ 83,524	(2,904)	\$ 80,620

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, 2022

Revenue and Other Financing Sources:	
Interest on Investments	\$ 2,714
Total Revenue and Other Financing Sources	2,714
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	375
Other Objects	45,046
Transfer Out to Debt Service Fund:	
Interest on Investments	2,714
Unexpended Balance	237,300
Total Expenditures and Other Financing Uses	285,435
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(282,721)
Fund Balance - Beginning of Year	684,586
Fund Balance - End of Year	\$ 401,865
<u>Recapitulation:</u>	
Restricted	\$ 401,865
Total Fund Balance - Budgetary/GAAP Basis	\$ 401,865

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, 2022

	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	10,677,000
Total Revenue and Other Financing Sources	12,400,656		12,400,656	12,400,656
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	10,627,367
Other Objects	608,030		608,030	608,030
Total Expenditures	11,688,757		11,688,757	12,400,656
Other Financing Uses:				
Operating Transfer - Debt Service Fund	(237,300)	\$ (237,300)	(474,600)	
Excess of Revenue Over Expenditures and Other Financing Uses	\$ 474,599	\$ (237,300)	\$ 237,299	\$ -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	\$ 12,870,014
SDA Grants Cancelled	\$ (469,358)
Revised Authorized Cost	\$ 12,400,656
Percentage Decrease over Original Authorized Cost	-9.19%
Percentage Completion	94.26%
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, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 25,000,000		\$ 25,000,000	\$ 25,000,000
Total Revenue and Other Financing Sources	<u>25,000,000</u>		<u>25,000,000</u>	<u>25,000,000</u>
Expenditures and Other Financing Uses:				
Legal Services/Bonding Fees	154,237		154,237	155,000
Purchased Professional and Technical Services	2,493,506	\$ 375	2,493,881	2,641,399
Construction Services	21,821,771		21,821,771	21,822,146
Other Objects	<u>320,499</u>	<u>45,046</u>	<u>365,545</u>	<u>381,455</u>
Total Expenditures	<u>24,790,013</u>	<u>45,421</u>	<u>24,835,434</u>	<u>25,000,000</u>
Excess of Revenue Over Expenditures	<u>\$ 209,987</u>	<u>\$ (45,421)</u>	<u>\$ 164,566</u>	<u>\$ -0-</u>

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	99.34%
Original Target Completion Date	10/1/19
Revised Target Completion Date	6/30/23

PROPRIETARY FUNDS

FAIR LAWN PUBLIC SCHOOLS
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 2,159,475
Intergovernmental Accounts Receivable:	
State	3,715
Federal	200,405
Other Accounts Receivable	7,254
Inventories	2,062
	2,372,911
Total Current Assets	2,372,911
Non-Current Assets:	
Capital Assets	946,868
Less: Accumulated Depreciation	(513,339)
	433,529
Total Non-Current Assets	433,529
Total Assets	2,806,440
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	5,234
Unearned Revenue - Donated Commodities	2,062
Unearned Revenue - Prepaid Sales	51,928
	59,224
Total Current Liabilities	59,224
<u>NET POSITION:</u>	
Investment in Capital Assets	433,529
Unrestricted	2,313,687
	2,747,216
Total Net Position	\$ 2,747,216

FAIR LAWN PUBLIC SCHOOLS
ENTERPRISE FUNDS
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 257,938
Other Income	17
	<hr/>
Total Operating Revenue	257,955
	<hr/>
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	187,975
Purchased Services (Including Fixed Price Contract)	4,404,382
Other Purchased Services	25,737
Supplies, Insurance and Other Costs	29,471
Miscellaneous Expenses	1,013
Depreciation Expense	49,598
	<hr/>
Total Operating Expenses	4,698,176
	<hr/>
Operating Loss	(4,440,221)
	<hr/>
Non-Operating Revenue:	
Local Sources:	
Interest Income	4,005
State Sources:	
COVID-19 Seamless Summer Option	107,435
Federal Sources:	
COVID-19 Seamless Summer Option	5,886,408
COVID-19 Pandemic Electronic Benefit Transfer Grant	1,242
COVID-19 Emergency Operational Cost Program	15,084
Food Distribution Program	33,506
	<hr/>
Total Non-Operating Revenue	6,047,680
	<hr/>
Change in Net Position	1,607,459
	<hr/>
Net Position - Beginning of Year	1,139,757
	<hr/>
Net Position - End of Year	<u>\$ 2,747,216</u>

FAIR LAWN PUBLIC SCHOOLS
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 251,774
Payments to Food Service Contractor	(4,561,861)
Payments for Suppliers	(1,261,970)
Net Cash Used for Operating Activities	<u>(5,572,057)</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(86,682)
Net Cash Used for Capital and Related Financing Activities	<u>(86,682)</u>
Cash Flows from Investing Activities:	
Interest Income	4,005
Net Cash Provided by Investing Activities	<u>4,005</u>
Cash Flows from Noncapital Financing Activities:	
State Sources Collected in Food Service Fund	165,000
Federal Sources Collected in Food Service Fund	7,036,357
Net Cash Provided by Noncapital Financing Activities	<u>7,201,357</u>
Net Increase in Cash and Cash Equivalents	1,546,623
Cash and Cash Equivalents, July 1	<u>612,852</u>
Cash and Cash Equivalents, June 30	<u>\$ 2,159,475</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	\$ (4,440,221)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	49,598
Food Distribution Program	33,506
Changes in Assets and Liabilities:	
(Decrease) in Unearned Revenue - Prepaid Sales	(20,919)
Increase in Unearned Revenue - Donated Commodities	2,062
(Decrease) in Accounts Payable	(1,206,697)
Decrease in Other Accounts Receivable	12,676
(Increase) in Inventory	(2,062)
Net Cash Used for Operating Activities	<u>\$ (5,572,057)</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 \$35,568 and utilized U.S.D.A. Commodities valued at \$33,506.

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, 2021	Issued	Matured	Defeased	Balance June 30, 2022
			Date	Amount	June 30, 2022						
Refunding Bonds - 2012	5/1/2012	\$ 6,515,000				\$ 3,785,000		\$ 430,000	\$ 3,355,000		
Refunding Bonds - 2014	11/19/2013	9,950,000	02/15/23	\$ 720,000	4.000%	6,330,000		725,000	4,885,000	\$ 720,000	
Various Improvements	4/21/2016	10,677,000	03/01/23	480,000	3.000%	8,227,000		465,000	7,282,000	480,000	
Various Improvements	1/16/2019	25,000,000	09/01/22	720,000	3.125%	24,340,000		695,000		23,645,000	
			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%						
Refunding Bonds - 2022	9/9/2021	16,360,000	03/01/23	645,000	0.416%	\$ 16,360,000		165,000		16,195,000	
			03/01/24	1,840,000	0.675%						
			03/01/25	1,805,000	0.959%						
			03/01/26	1,765,000	1.139%						
			03/01/27	1,740,000	1.328%						
			03/01/28	1,715,000	1.478%						
			03/01/29	1,690,000	1.588%						
			03/01/30	1,660,000	1.718%						
			03/01/31	655,000	1.768%						
			03/01/32	665,000	1.938%						
			03/01/33	665,000	2.088%						
			03/01/34	675,000	2.188%						
			03/01/35	675,000	2.288%						
						\$ 42,682,000	\$ 16,360,000	\$ 2,480,000	\$ 15,522,000	\$ 41,040,000	

FAIR LAWN PUBLIC SCHOOLS
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

NOT APPLICABLE

FAIR LAWN PUBLIC SCHOOLS
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASES

NOT APPLICABLE

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,600,812	\$	2,600,812	2,600,812	\$ 6,820
Other Miscellaneous				6,820	\$ 6,820
State Sources:					
Debt Service Aid Type II	266,614		266,614	266,614	
Total Revenues	2,867,426		2,867,426	2,874,246	6,820
EXPENDITURES:					
Regular Debt Service:					
Interest	1,438,793	\$ (165,000)	1,273,793	1,270,078	3,715
Redemption of Principal	2,315,000	165,000	2,480,000	2,480,000	
Total Regular Debt Service	3,753,793		3,753,793	3,750,078	3,715
Total Expenditures	3,753,793		3,753,793	3,750,078	3,715
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(886,367)		(886,367)	(875,832)	10,535
Other Financing Sources/(Uses):					
Refunding Bonds Issued				16,360,000	16,360,000
Serial Bonds Defeased				(15,522,000)	(15,522,000)
Bond Issuance Costs				(162,876)	(162,876)
Deferred Amount on Refunding				(675,124)	(675,124)
Capital Projects Fund - Unexpended Capital Projects Balance				237,300	237,300
Capital Projects Fund - Interest Earned				2,714	2,714
Transfer from General Fund - Capital Reserve	600,000		600,000	600,000	
Total Other Financing Sources/(Uses)	600,000		600,000	840,014	240,014
Excess/(Deficit) of Revenues and Other Financing Sources/(Uses) Over/(Under) Expenditures and Other Financing Uses	(286,367)		(286,367)	(35,818)	250,549
Fund Balance, July 1	534,865		534,865	534,865	
Fund Balance, June 30	\$ 248,498	\$ -0-	\$ 248,498	\$ 499,047	\$ 250,549
Recapitulation:					
Restricted - Designated for Subsequent Year's Expenditures				\$ 248,498	
Restricted				250,549	
				\$ 499,047	

STATISTICAL SECTION

(UNAUDITED)

This part of the District's annual comprehensive 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 annual comprehensive 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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 28,160,397
Restricted	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	31,354,049
Unrestricted/(Deficit)	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)	(13,576,214)
Total Governmental Activities Net Position	\$ 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	\$ 45,938,232
Business-type Activities										
Investment in Capital Assets	\$ 27,660	\$ 53,235	\$ 45,882	\$ 38,523	\$ 82,056	\$ 102,221	\$ 89,842	\$ 358,185	\$ 396,445	\$ 433,529
Unrestricted	55,136	62,190	110,347	127,725	135,890	128,066	140,735	155,776	743,312	2,313,687
Total Business-type Activities Net Position	\$ 82,796	\$ 115,425	\$ 156,229	\$ 166,248	\$ 217,946	\$ 230,287	\$ 230,577	\$ 513,961	\$ 1,139,757	\$ 2,747,216
District-wide										
Net Investment in Capital Assets	\$ 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	\$ 28,593,926
Restricted	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	31,354,049
Unrestricted/(Deficit)	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)	(11,262,527)
Total District Net Position	\$ 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	\$ 48,685,448

Source: School District Financial Reports

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 54,749,065
Special Education	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	15,076,034
Other Instruction	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	5,882,926
Support Services:										
Tuition	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	6,466,431
Student & Instruction Related Services	12,207,573	12,610,392	12,827,767	13,738,505	15,119,459	15,131,415	19,071,032	17,387,288	14,746,055	15,102,661
School Administrative Services	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	6,666,687
Central Administrative Services	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	1,115,837
Central Services									1,947,107	1,832,331
Administrative Information Technology									1,357,532	1,608,712
Plant Operations and Maintenance	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	10,472,879
Pupil Transportation	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	4,133,570
Special Schools	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	1,477,180
Charter Schools	59,127	61,582	73,101	68,124	47,813	35,860	39,057	70,538	107,676	109,989
SDA Debt Service Assessment		77,256	77,256	77,256	77,256	77,256	77,256	77,256		
Interest on Long-term Debt	676,479	582,168	735,627	903,555	871,099	834,542	1,108,332	1,580,028	1,487,149	1,115,348
Total Governmental Activities Expenses	\$ 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	\$ 125,809,650
Business-type Activities:										
Food Service	\$ 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	\$ 4,698,176
Total Business-type Activities Expense	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	4,698,176
Total District Expenses	\$ 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	\$ 130,507,826
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition	\$ 40,324	\$ 42,416	\$ 45,164	\$ 42,578	\$ 41,784	\$ 47,823	\$ 50,027	\$ 38,799	\$ 313,730	\$ 214,634
Student & Instruction Related Services	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	380,937
Pupil Transportation	676,480	582,168	735,627	903,556	871,099	796,196	1,069,596	1,405,364	95,944	81,740
Special Schools										
Interest on Long Term Debt	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	33,085,500
Operating Grants and Contributions	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	34,989,145
Total Governmental Activities Program Revenues	\$ 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	\$ 34,989,145
Business-type Activities:										
Charges for Services:										
Food Service	\$ 820,309	\$ 854,358	\$ 938,009	\$ 891,362	\$ 926,787	\$ 966,603	\$ 1,089,577	\$ 685,145	\$ 12,603	\$ 257,955
Operating Grants and Contributions - Food Service	277,251	312,540	282,864	337,110	316,935	328,432	361,944	408,263	4,472,777	6,043,675
Total Business-type Activities Program Revenues	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	6,301,630
Total District Program Revenues	\$ 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	\$ 41,290,775

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

UNAUDITED
(Continued)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense) Revenue:										
Governmental Activities	\$ (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)	\$ (90,820,505)
Business-type Activities	(36,853)	1,646	40,648	9,857	51,530	11,903	(1,962)	11,660	544,509	1,603,454
Total District-wide Net Expense	<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>	<u>\$ (89,217,051)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 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	\$ 92,788,775
Taxes Levied for Debt Service	1,272,665	742,865	258,354	686,140	691,363	773,154	(100,636)	953,980	2,736,035	2,600,812
Unrestricted Grants and Contributions	276,951	289,687	495,180	411,673	553,755	967,762	1,164,308	1,872,513	2,788,269	6,608,547
Tuition	551,375	515,498	392,162	433,008	300,271	300,763	752,161	848,216	193,246	57,173
Investment Earnings	49,068	22,586	54,880	122,177	90,352	300,133	174,740	405,216	489,728	1,164,488
Miscellaneous Income	308,824	135,971	207,074	267,401	175,425	172,058				
New Jersey Economic Development Authority Grant			3,260,394	2,985,343						
Adjustment to Capital Assets	(467,619)	(1,046,342)								
Bond Refunding Proceeds		410,000								
Transfers		(30,850)								
Transfer - Capital Contributions									(79,989)	
Total Governmental Activities	<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>	<u>103,219,795</u>
Business-type Activities:										
Investment Earnings	\$ 293	\$ 134	\$ 156	\$ 163	\$ 167	\$ 439	\$ 2,252	\$ 2,351	\$ 1,298	\$ 4,005
Transfers		30,850								
Transfer - Capital Contributions									79,989	
Total Business-type Activities	<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>	<u>4,005</u>
Total District-wide	<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>	<u>\$ 103,223,800</u>
Change in Net Position										
Governmental Activities	\$ 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	\$ 12,399,290
Business-type Activities	(36,560)	32,630	40,804	10,020	51,697	12,342	290	14,011	625,796	1,607,459
Total District	<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>	<u>\$ 14,006,749</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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 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	\$ 30,028,584
Assigned	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	8,142,328
Unassigned	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	5,676,068
Total General Fund	\$ 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	\$ 43,846,980
All Other Governmental Funds										
Restricted	\$ 32,497	\$ 120,137	\$ 5,047,607	\$ 2,209,965	\$ 1,896,777	\$ 1,766,869	\$ 2,520,953	\$ (1,544,931)	\$ 1,563,384	\$ 1,325,465
Assigned			9,545,510	4,699,194	321,447	189,727	21,275,335	3,108,315		
Total All Other Governmental Funds	\$ 32,497	\$ 120,137	\$ 14,593,117	\$ 6,909,159	\$ 2,218,224	\$ 1,956,596	\$ 23,796,288	\$ 1,563,384	\$ 1,563,384	\$ 1,325,465
Total Governmental Funds	\$ 10,972,392	\$ 10,742,052	\$ 25,109,578	\$ 20,669,163	\$ 16,633,778	\$ 19,781,272	\$ 47,379,019	\$ 34,109,139	\$ 39,373,383	\$ 45,172,445

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax Levy	\$ 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	\$ 95,389,587
Tuition Charges	551,374	515,498	392,162	433,009	300,271	300,763	340,933	329,482	313,730	214,634
Transportation Fees from LEAs	40,324	42,417	45,164	42,578	41,784	47,823	50,028	38,798	81,740	81,740
Interest Earnings	49,069	22,586	54,880	122,177	90,352	300,133	752,160	848,216	47,524	54,459
Miscellaneous	2,059,460	1,790,179	1,936,464	2,130,969	2,336,202	2,407,005	2,909,522	2,165,986	961,119	2,798,541
State Sources	12,700,088	12,053,965	11,668,227	11,815,445	12,168,792	12,461,816	22,368,810	24,076,951	29,945,602	38,993,239
Federal Sources	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	4,183,785
Total Revenue	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	141,715,985
Expenditures										
Instruction										
Regular Instruction	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	35,080,213
Special Education Instruction	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	10,408,903
Other Special Instruction	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	3,988,811
Support Services:										
Tuition	4,274,644	4,774,496	5,261,422	5,335,118	5,335,118	5,541,479	5,315,138	5,536,028	6,587,564	6,466,431
Student & Other Instruction Related Services	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	13,459,016
School Administrative Services	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	4,489,303
General Administrative Services	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	893,026
Central Services									1,612,770	1,627,130
Administrative Information Technology									1,214,761	1,510,895
Plant Operations and Maintenance	7,726,025	7,479,566	7,234,783	6,577,385	7,113,896	7,190,404	7,557,721	8,543,879	7,467,736	9,968,482
Student Transportation	2,188,114	2,346,791	2,574,591	2,538,882	2,746,973	2,861,312	3,104,567	2,698,560	3,540,604	3,719,335
Unallocated Benefits	20,671,737	19,632,166	17,840,268	18,928,909	19,776,309	21,020,713	29,169,534	28,042,465	32,627,744	37,737,038
Special Schools	2,068,562	2,053,007	2,124,550	1,695,518	1,743,801	1,775,260	1,921,467	1,718,367	706,519	1,477,180
Transfer of Funds to Charter School	59,127	61,582	73,101	68,124	47,813	35,860	39,057	70,538	107,676	109,989
Capital Outlay	1,092,953	1,387,246	2,026,833	8,054,140	6,544,444	1,540,061	3,641,330	20,143,864	6,910,995	1,231,093
Debt Service:										
Principal	1,160,817	1,222,458	875,000	1,265,000	1,365,000	1,385,000	1,440,000	1,500,000	2,230,000	2,480,000
Interest and Other Charges	762,892	627,080	648,856	914,957	882,865	850,577	806,928	1,645,680	1,513,865	1,270,078
Total Expenditures	92,548,695	93,203,226	94,241,180	96,660,945	104,062,474	101,839,484	115,626,687	133,836,021	127,356,366	135,916,923
Excess/(Deficit) of Revenues Over/(Under) Expenditures	838,279	(202,489)	433,132	693,875	(4,103,481)	3,147,495	2,753,135	(11,101,912)	1,777,720	5,799,062

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing Sources/(Uses)										
N.J.S.D.A. Grants			\$ 3,260,394		\$ 68,095		\$ (469,358)	\$ (249,248)		
Capital Leases (non-budgeted)							243,970	407,820		
Serial Bond Proceeds			10,677,000				25,000,000			
Refunding Bonds Issued										\$ 16,360,000
Serial Bonds Defeased										(15,522,000)
Bond Issuance Costs										(162,876)
Deferred Amount on Refunding										(675,124)
Transfers In	\$ 1,974	\$ 600,000	2,110,993	\$ 527,883	608,098	\$ 611,671	1,375,088	984,665	\$ 848,498	840,014
Transfers Out	(1,974)	(630,850)	(2,110,993)	(527,883)	(608,098)	(611,671)	(1,375,088)	(984,665)	(848,498)	(840,014)
Capital Contributions - Food Service Fund										(79,989)
Total Other Financing Sources/(Uses)		(30,850)	13,937,394		68,095		24,774,612	158,572	(79,989)	
Net Change in Fund Balances	\$ 838,279	\$ (233,339)	\$ 14,370,526	\$ 693,875	\$ (4,035,386)	\$ 3,147,495	\$ 27,527,747	\$ (10,943,340)	\$ 1,697,731	\$ 5,799,062
Debt Service as a Percentage of Noncapital Expenditures	2.10%	2.01%	1.65%	2.46%	2.31%	2.23%	2.01%	2.77%	3.11%	2.78%

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							
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		56,305	1,032,812	\$ 373,587		
2022	174,673	214,634	81,740	1,836,313		297,694	2,734,835	129,781		

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)
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	811	4,253,357,611	2.22	5,270,522,364
2021	17,326,900	3,426,753,300	489,600,700	204,120,100	134,621,200	4,272,422,200	789	4,272,422,989	2.29	5,441,564,826

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.

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			
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
2021	2.233	0.061	2.294	0.901	0.320	3.515

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.

Source: Municipal Tax Collector and School Business Administrator

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

Taxpayer	2021		
	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	1.03%
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	0.51%
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>6.17%</u>

Taxpayer	2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
17-17 Realty Associates	\$ 198,220,900	1	4.80%
Fair Lawn Estates Assoc.	44,202,700	2	1.07%
Fair Lawn Associates	34,589,000	3	0.84%
Nabisco (c/o Kraft Foods)	29,319,600	4	0.71%
Columbia Savings Bank	24,661,700	5	0.60%
Bon-Marc Realty	20,256,000	6	0.49%
Fairlawn Industries, LP	18,329,600	7	0.44%
Prime Hospitality Corp.	14,245,800	8	0.34%
CK Bergen Holdings, LLC	13,200,500	9	0.32%
Bernand Oster, Inc.	13,076,900	10	0.32%
	<u>\$ 410,102,700</u>		<u>9.92%</u>

Source: Municipal Tax Assessor

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the</u> <u>Fiscal Year of the Levy^a</u>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2021	\$ 95,524,810	\$ 95,524,810	100.00%	\$ -0-
2022	95,389,587	95,389,587	100.00%	-0-

Note: Information for the fiscal years 2013 - 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	Loans	Bond Anticipation Notes (BANs)		Business-Type Activities				
			Financed Purchase Agreements		Financed Purchase Agreements				
2013	\$ 18,650,000	\$ 47,458	\$ -0-	\$ -0-	\$ -0-	\$ 18,697,458	0.79%	\$ 570.91	
2014	17,065,000	-0-	-0-	-0-	-0-	17,065,000	0.72%	519.59	
2015	26,867,000	-0-	-0-	-0-	-0-	26,867,000	1.10%	816.87	
2016	25,602,000	-0-	-0-	-0-	-0-	25,602,000	1.00%	773.80	
2017	24,237,000	-0-	68,095	-0-	-0-	24,305,095	0.93%	735.49	
2018	22,852,000	-0-	54,476	-0-	-0-	22,906,476	0.85%	691.89	
2019	46,412,000	-0-	236,033	-0-	-0-	46,648,033	1.64%	1,414.18	
2020	44,912,000	-0-	550,493	-0-	-0-	45,462,493	1.55%	1,382.17	
2021	42,682,000	-0-	-0-	-0-	-0-	42,682,000	1.41%	1,298.23	
2022	41,040,000	-0-	-0-	-0-	-0-	41,040,000	1.27%	1,167.27	

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		
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
2022	41,040,000	-0-	41,040,000	0.96%	1,167.27

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, 2021
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	\$ 37,543,020	100.000%	\$ 37,543,020
Bergen County General Obligation Debt	839,785,818	2.904%	<u>24,385,297</u>
Subtotal, Overlapping Debt			61,928,317
Fair Lawn Public Schools Direct Debt			<u>42,825,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 104,753,317</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 2022

		Equalized valuation basis		
		2021	2020	2019
	\$	5,625,309,019	5,390,136,611	5,211,821,622
		<u>\$ 16,227,267,252</u>		
	\$	<u>5,409,089,084</u>		
	\$	216,363,563		
		<u>41,040,000</u>		
	\$	<u>175,323,563</u>		

Average Equalized Valuation of Taxable Property

Debt Limit (4% of average equalization value)
 Net Bonded School Debt
 Legal Debt Margin

Fiscal Year Ended June 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 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	\$ 216,363,563
Total Net Debt Applicable to Limit	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	41,040,000
Legal Debt Margin	<u>\$ 173,248,999</u>	<u>\$ 166,116,602</u>	<u>\$ 151,441,013</u>	<u>\$ 153,898,688</u>	<u>\$ 159,700,189</u>	<u>\$ 168,067,954</u>	<u>\$ 151,157,779</u>	<u>\$ 159,085,271</u>	<u>\$ 166,603,896</u>	<u>\$ 175,323,563</u>

Total Net Debt Applicable to the Limit	9.74%	9.32%	15.07%	14.26%	13.18%	11.97%	23.49%	22.02%	20.39%	18.97%
As a Percentage of Debt Limit										

a Limit set by NJSIA 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
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	3,023,763,444	91,972	8.90%
2021	35,159	3,233,643,548 ***	91,972 *	5.80%
2022	35,159 **	3,233,643,548 ***	91,972 *	N/A

* - Latest Bergen County per capita personal income available (2020) was used for calculation purposes.

** - Latest population data available (2021) was used for calculation purposes.

*** - Latest available population data (2021) and latest available Bergen County per capita personal income (2020) 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

Employer	2021		
	Employees	Rank (Optional)	Percentage of Total Employment
Hackensack University Medical Center	9,000	1	N/A
Valley Health Systems, Inc.	4,660	2	N/A
Bio-Reference Laboratories	2,900	3	N/A
Express Scripts	2,676	4	N/A
Quest Diagnostics	2,700	5	N/A
KPMG LLP	2,100	6	N/A
Englewood Hospital and Medical	2,002	7	N/A
Englewood Hospital Home Health Care	1,985	8	N/A
Unilever Best Foods	N/A	9	N/A
Stryker	N/A	10	N/A
	28,023		N/A
Total Employment	N/A		N/A

Employer	2012		
	Employees	Rank (Optional)	Percentage of Total Employment
Hackensack University Medical Center	N/A	1	N/A
Valley Health Systems, Inc.	N/A	2	N/A
Medco Solutions, Inc.	N/A	3	N/A
Quest Diagnostics	N/A	4	N/A
Bio-Reference Laboratories	N/A	5	N/A
Englewood Hospital and Medical	N/A	6	N/A
Becton Dickinson and Co	N/A	7	N/A
Englewood Hospital Home Health Care	N/A	8	N/A
Unilever Best Foods	N/A	9	N/A
Stryker	N/A	10	N/A
	N/A		N/A
Total Employment	N/A		N/A

N/A - Information is not available.

Source: County of Bergen

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

<u>Function/Program</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>	<u>2022</u>
Instruction										
Regular	304	304	328	357	359	302	303	314	327	353
Special education	70	97	110	122	123	102	133	113	149	175
Other instruction	28	20	20	20	20	35	41	43	43	34
Support Services:										
Student & instruction related services	12	12	12	12	12	111	137	233	129	133
School administrative services	68	68	68	68	68	37	38	38	37	35
General administrative services	45	45	45	45	45	14	13	2	3	2
Central Services	5	5	5	5	5	4	4	15	15	14
Administrative information technology	6	6	6	6	6	11	13	15	14	10
Plant operations and maintenance	44	39	34	32	31	42	41	39	28	31
Pupil transportation	3	5	5	5	5	18	23	18	8	33
Special Schools						21	11	8	8	3
Total	585	601	633	672	674	697	757	838	761	823

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				
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%
2022	5,307	130,935,752	24,672	12.01%	474	11.8	10.53	11.2	5,332.8	5,085.7	-1.74%	95.37%

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

District Building	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Henry B Milnes (1951)										
Square Feet	42,907	42,907	42,907	47,880	47,880	47,880	47,880	47,880	47,020	47,020
Capacity	395	395	395	395	395	395	395	395	414	414
Enrollment	393	417	428	453	501	477	500	520	419	421
John A Forrest										
Square Feet	40,013	40,013	40,013	46,400	46,400	46,400	46,400	46,400	42,515	42,515
Capacity	286	286	286	286	286	286	286	286	291.6	291.6
Enrollment	284	298	277	270	292	286	286	324	260	266
Lyncrest (1952)										
Square Feet	24,793	24,793	24,793	27,937	27,937	27,937	27,937	27,937	27,811	27,811
Capacity	234	234	234	234	234	234	234	234	207	207
Enrollment	219	225	231	233	232	251	261	255	210	207
Radburn (1933)										
Square Feet	46,806	46,806	46,806	51,740	51,740	51,740	51,740	51,740	52,300	52,300
Capacity	351	351	351	351	351	351	351	351	351.9	351.9
Enrollment	365	435	448	457	480	457	455	460	350	358
Warren Point (1922)										
Square Feet	44,174	44,174	44,174	39,945	39,945	39,945	39,945	39,945	49,656	49,656
Capacity	466	466	466	466	466	466	466	466	399.6	399.6
Enrollment	405	394	405	416	427	461	471	489	410	404
Westmoreland (1958)										
Square Feet	24,971	24,971	24,971	29,517	46,068	46,068	46,068	46,068	46,345	46,345
Capacity	246	246	246	246	324	324	324	324	315	315
Enrollment	350	373	362	384	291	310	401	346	298	309
Middle School										
Thomas Jefferson School (1953)										
Square Feet	103,958	103,958	103,958	94,139	94,139	94,139	94,139	94,139	124,910	124,910
Capacity	662	662	662	662	662	662	662	662	1,039.2	1,039.2
Enrollment	634	640	661	680	707	724	737	751	1,037	1,068
Memorial Middle School (1958)										
Square Feet	78,323	78,323	78,323	94,560	94,560	94,560	94,560	94,560	105,081	105,081
Capacity	466	466	466	466	466	466	466	466	735	735
Enrollment	443	450	463	485	464	426	457	464	639	628

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>High School</u>										
Fair Lawn High School (1943)										
Square Feet	244,339	244,339	244,339	243,066	243,066	243,066	243,066	243,066	250,402	250,402
Capacity	1,637	1,637	1,637	1,637	1,637	1,637	1,637	1,637	1,819	1,819
Enrollment	1,493	1,478	1,469	1,451	1,447	1,479	1,486	1,534	1,553	1,578
<u>Other</u>										
Edison School (1955)										
Square Feet	47,335	47,335	47,335	47,335	47,335	47,335	47,335	47,335	37,839	37,839
Capacity	9	9	9	9	9	9	9	9	96	96
Enrollment				85	70	67	70	73	66	68

Number of Schools at June 30, 2022
 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					John A. Forrest	Lyncrest	Edison School		
		Fair Lawn High School	Jefferson Middle School	Memorial Middle School	Henry B. Milnes	Westmoreland				Radburn	Warren Point
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	74,402	63,703	41,671	56,696
2022	1,795,940	573,694	286,180	240,750	107,727	106,181	119,824	113,767	97,406	63,718	86,693

* 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, 2022
UNAUDITED

	Coverage	Deductible
Utica National Insurance Group:		
School Package Policy:		
Blanket Building and Contents	\$ 241,052,498	\$ 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 Schools Insurance Group):		
Workers Compensation	2,000,000	
Bollinger Insurance Company:		
Student Accident Insurance	6,000,000	
Surety Bonds:		
Board Secretary/Business Administrator	500,000	Selective Insurance Group
Treasurer of School Moneys	500,000	Selective Insurance Group
Flood:		
Memorial School Building /Contents	500,000	5,000
Cyber Lloyds:		
Unit of Liability	1,000,000	Each Claim
Retention	50,000	

Source: School District of Fair Lawn records

SINGLE AUDIT SECTION



Mount Arlington, NJ
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Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent 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 Schools, in the County of Bergen (the "District") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 27, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

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

Report on 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.

January 27, 2023
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

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



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Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required
by the Uniform Guidance and NJOMB 15-08

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

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Fair Lawn Public Schools' (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, 2022. 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.

In our opinion, the District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

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

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

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

January 27, 2023
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 OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2021			Cancellation of Prior Year Accounts Payable	Balance at June 30, 2022			
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received		Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amounts Provided to Subrecipients	
U.S. Department of Agriculture:												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
COVID 19 - Seamless Summer Option	10,555	N/A	7/1/21-6/30/22	\$ 35,568			\$ 35,568	\$ (33,506)		\$ 2,062		
COVID 19 - Seamless Summer Option	10,555	N/A	7/1/21-6/30/22	5,886,408			5,686,003	(5,886,408)				
COVID 19 - Emergency Operational Cost Reimbursement Program	10,555	N/A	7/1/20-6/30/21	4,230,710			1,334,028					
Total Child Nutrition Cluster				15,084			15,084	(15,084)				
COVID 19 - Pandemic Electronic Benefit Transfer	10,649	N/A	7/1/21-6/30/22	1,242			7,070,683	(5,934,998)		(200,405)	2,062	
Total U.S. Department of Agriculture							1,242	(1,242)		(200,405)	2,062	
U.S. Department of Education:												
Special Revenue Fund:												
Passed-through State Department of Education:												
Elementary and Secondary Education Act:												
Title I	84,010	ESEA145022	7/1/21-9/30/22	217,846			156,866	(192,514)		(35,648)		
Total Title I	84,010	ESEA145021	7/1/20-9/30/21	350,343			61,051	(192,514)		(35,648)		
Title II	84,367	ESEA145022	7/1/21-9/30/22	144,013			24,266	(70,051)		(45,785)		
Total Title II	84,367	ESEA145021	7/1/20-9/30/21	102,116			6,646	(70,051)		(45,785)		
Title III	84,365	ESEA145022	7/1/21-9/30/22	55,820			30,912	(40,746)		(12,183)		
Total Title III	84,365	ESEA145021	7/1/20-9/30/21	63,646			21,676	(52,929)		(12,183)		
Title IV	84,365	ESEA145021	7/1/20-9/30/21	1,392			91	(52,929)		(12,183)		
Total Title IV	84,424	ESEA145022	7/1/21-9/30/22	25,940			91	(4,958)		52		
Total Elementary and Secondary Education Act	84,424	ESEA145021	7/1/20-9/30/21	21,965			357	(4,958)		52		
Education Stabilization Fund:							5,367	(4,958)		52		
COVID-19 - C.R.R.S.A. - Learning Acceleration	84,425D	S425D200027	3/13/20-9/30/23	62,913			316,709	(320,452)		(93,616)		
COVID-19 - C.R.R.S.A. - Mental Health	84,425D	S425D200027	3/13/20-9/30/23	45,000			40,700	(32,600)		(32,600)		
COVID-19 - C.R.R.S.A. - ESSER II	84,425D	S425D200027	3/13/20-9/30/23	980,337			567,699	(45,000)		(4,300)		
COVID-19 - ARP - ESSER III	84,425U	S425U210027	3/13/20-9/30/24	2,203,244				(712,270)	\$ 26,267	(160,167)		
COVID-19 - ARP - Accelerated Learning Coach and Educator Support	84,425U	S425U210027	3/13/20-9/30/24	468,461				(1,328,702)		(1,328,702)		
COVID-19 - ARP - Evidence Based Comprehensive Beyond the School Day	84,425U	S425U210027	3/13/20-9/30/24	40,000				(69,126)		(69,126)		
Total Education Stabilization Fund							608,399	(37,972)		(37,972)		
Special Education Cluster (IDEA):							2,225,670	(2,225,670)		(1,632,867)		
I.D.E.A. Part B, Basic	84,027	IDEA145022	7/1/21-9/30/22	1,237,060			1,230,895	(1,230,895)				
I.D.E.A. Part B, Basic	84,027	IDEA145021	7/1/20-9/30/21	1,248,680			1,300					
I.D.E.A. Preschool	84,173	IDEA145022	7/1/21-9/30/22	39,129			39,129	(39,129)				
COVID-19 - ARP - I.D.E.A. Part B, Basic	84,027X	N/A	7/1/21-9/30/22	238,426			140,156	(204,184)		(64,028)		
COVID-19 - ARP - I.D.E.A. Preschool	84,173X	N/A	7/1/21-9/30/22	203,338			11,582	(13,928)		(2,346)		
Total Special Education Cluster (IDEA)							1,423,062	(1,488,136)		(66,374)		

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Cancellation of Prior Year Accounts Payable	Balance at June 30, 2022		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue				Budgetary Accounts Receivable	Budgetary Unearned Revenue	
<u>U.S. Department of Education: (Continued)</u>												
<u>Special Revenue Fund: (Continued)</u>												
Passed-through State Department of Education: (Continued)												
Carl D. Perkins - Secondary	84,048	PERK145022	7/1/21-6/30/22	\$ 14,617			\$ 6,794	\$ (14,617)		\$ (7,823)		
Carl D. Perkins - Secondary	84,048	PERK145021	7/1/20-6/30/21	15,398			2,962					
Total Carl D. Perkins - Secondary							9,756	(14,617)		(7,823)		
Total U.S. Department of Education							2,357,926	(4,048,875)	\$ 26,267	(1,800,680)	\$ 52	
<u>U.S. Department of Treasury:</u>												
Passed-through State Department of Education:												
Special Revenue Fund:												
ACSERS	21,027	N/A	7/1/21-6/30/22	65,953				(65,953)		(65,953)		
Total U.S. Department of Treasury								(65,953)		(65,953)		
<u>U.S. Department of Health and Human Services:</u>												
Medicaid Cluster:												
Medicaid Assistance Program	93,778	N/A	7/1/21-6/30/22	68,957			68,957	(68,957)				
Total U.S. Department of Health and Human Services/Total Medicaid Cluster							68,957	(68,957)				
Total Federal Awards							\$ (1,469,974)	\$ -0-	\$ 26,267	\$ (2,067,038)	\$ 2,114	\$ -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, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2022		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	22-495-034-5120-078	7/1/21-6/30/22	\$ 6,048,853			\$ 5,493,378	\$ (6,048,853)			\$	\$ (555,475)	\$ 6,048,853
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	840,898			763,677	(840,898)				(77,221)	840,898
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	4,363,870			3,963,129	(4,363,870)				(400,741)	4,363,870
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	464,041			421,427	(464,041)				(42,614)	464,041
Extraordinary Special Education Costs Aid	22-495-034-5120-044	7/1/21-6/30/22	3,006,677				(3,006,677)			\$ (3,006,677)	(3,006,677)	3,006,677
Homeless Tuition Reimbursement	22-495-034-5120-005	7/1/21-6/30/22	66,573				(66,573)			(66,573)	(66,573)	66,573
Excess Nonpublic Transportation Costs	22-495-034-5120-014	7/1/21-6/30/22	148,190				(148,190)			(148,190)	(148,190)	148,190
Securing Our Children's Future Bond Act	N/A	7/1/21-6/30/22	281,979			281,979	(281,979)					281,979
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	3,402,877			3,236,332	(3,402,877)			(166,545)	(166,545)	3,402,877
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	2,024,058	\$ (170,672)		170,672						2,024,058
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	840,898	(70,906)		70,906						840,898
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	4,363,870	(367,968)		367,968						4,363,870
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	464,041	(39,129)		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
Homeless Tuition Reimbursement	21-495-034-5120-005	7/1/20-6/30/21	81,797			81,797	(81,797)					81,797
Excess Nonpublic Transportation Costs	21-495-034-5120-014	7/1/20-6/30/21	134,270	(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	(161,717)		161,717						3,092,264
On-Behalf TPAF Post-Retirement Contributions	22-495-034-5094-001	7/1/21-6/30/22	3,806,466			3,806,466	(3,806,466)					3,806,466
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21-6/30/22	16,065,326			16,065,326	(16,065,326)					16,065,326
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21-6/30/22	226,659			226,659	(226,659)					226,659
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22	6,116			6,116	(6,116)					6,116
Subtotal - General Fund				(4,158,309)		38,504,595	(38,810,322)			(3,387,985)	(4,464,056)	52,943,370
Debt Service Fund Aid:												
Debt Service Aid - State Support	22-100-034-5120-125	7/1/21-6/30/22	266,614			266,614	(266,614)					266,614
Subtotal - Debt Service Fund												
Special Revenue Fund Aid:												
Nonpublic Auxiliary Services:												
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	4,479			4,479	(2,508)			\$ 1,971		2,508
Nonpublic Handicapped Services:												
Supplementary Instruction	22-100-034-5120-066	7/1/21-6/30/22	26,432			26,432	(24,924)			1,508		24,924
Supplementary Instruction	21-100-034-5120-066	7/1/20-6/30/21	11,900				(1,367)	\$ 4,376				7,524
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	4,185			4,185	(55,869)			2,818		1,367
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	63,307			63,307				7,438		55,869
N.J. Nonpublic Textbook Aid	21-100-034-5120-066	7/1/20-6/30/21	25,453					13,996				11,457
N.J. Nonpublic Textbook Aid	22-100-034-5120-066	7/1/21-6/30/22	21,367			21,367	(21,281)			86		21,281
N.J. Nonpublic Nursing Aid	22-100-034-5120-070	7/1/21-6/30/22	41,776			41,776	(35,506)			6,270		3,656
N.J. Nonpublic Nursing Aid	21-100-034-5120-070	7/1/20-6/30/21	7,548				(14,772)	370				7,178
N.J. Nonpublic Technology Initiative	22-100-034-5120-373	7/1/21-6/30/22	14,952			14,952	(14,772)			180		14,772
N.J. Nonpublic Security Aid	22-100-034-5120-509	7/1/21-6/30/22	65,275			65,275	(65,135)			140		65,135
N.J. Nonpublic Security Aid	21-100-034-5120-509	7/1/20-6/30/21	12,950					2				12,948
School Development Authority - Emergent and Capital Maintenance Needs Program			122,317			122,317	(122,317)					122,317
Subtotal - Special Revenue Fund				18,753		364,090	(343,679)	18,753		20,411		386,442

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Project Number	Grant or State	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2022		MEMO	
					Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<u>State Department of Education:</u>													
<u>Food Service Fund:</u>													
COVID 19 - Seamless Summer Option	22-100-010-3350-023		7/1/21-6/30/22	\$ 107,435			\$ 103,720	\$ (107,435)		\$ (3,715)	\$	(3,715)	\$ 107,435
COVID 19 - Seamless Summer Option	21-100-010-3350-023		7/1/20-6/30/21	173,457			61,280						173,457
Subtotal - Food Service Fund							165,000	(107,435)		(3,715)		(3,715)	280,892
Total State Department of Education							39,300,299	(39,528,050)	\$ 18,753	\$ (3,391,700)	\$ 20,411	\$ (4,467,751)	53,877,318
Total State Awards							\$ 39,300,299	\$ (39,528,050)	\$ 18,753	\$ (3,391,700)	\$ 20,411	\$ (4,467,751)	\$ 53,877,318
Less: State Awards Not Subject to Single Audit Major Program Determination													
<u>On-Behalf TPAF Pension System Contributions:</u>													
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001		7/1/21-6/30/22	(3,806,466)				\$ 3,806,466					
On-Behalf TPAF Pension Contributions	22-495-034-5094-002		7/1/21-6/30/22	(16,065,326)				16,065,326					
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004		7/1/21-6/30/22	(226,659)				226,659					
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004		7/1/21-6/30/22	(6,116)				6,116					
Subtotal - On-Behalf TPAF Pension System Contributions								20,104,567					
Total State Awards Subject to Single Audit Major Program Determination								\$ (19,423,483)					

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, 2022

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, 2022. 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 (\$427,376) 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 FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 68,957	\$ 38,382,946	\$ 38,451,903
Special Revenue Fund	4,114,828	343,679	4,458,507
Debt Service Fund		266,614	266,614
Food Service Fund	<u>5,936,240</u>	<u>107,435</u>	<u>6,043,675</u>
Total Awards	<u>\$ 10,120,025</u>	<u>\$ 39,100,674</u>	<u>\$ 49,220,699</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, 2022.

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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* Required by the Uniform Guidance and NJOMB 15-08.
- 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 Required by the Uniform Guidance and NJOMB 15-08*.
- 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:

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster (IDEA):				
I.D.E.A. Part B, Basic	84.027	7/1/21-9/30/22	\$ 1,230,895	\$ 1,230,895
I.D.E.A. Preschool	84.173	7/1/21-9/30/22	39,129	39,129
ARP - I.D.E.A. Part B, Basic	84.027X	7/1/21-9/30/22	238,426	204,184
ARP - I.D.E.A. Preschool	84.173X	7/1/21-9/30/22	20,338	13,928
Education Stabilization Fund:				
COVID-19 - C.R.R.S.A. - Learning Acceleration	84.425D	3/13/20-9/30/23	62,913	32,600
COVID-19 - C.R.R.S.A. - Mental Health	84.425D	3/13/20-9/30/23	45,000	45,000
COVID-19 - C.R.R.S.A. - ESSER II	84.425D	3/13/20-9/30/23	980,337	712,270
COVID-19 - ARP - ESSER III	84.425U	3/13/20-9/30/24	2,203,244	1,328,702
COVID-19 - ARP - Accelerated Learning Coach and Educator Support	84.425U	3/13/20-9/30/24	468,461	69,126
COVID-19 - ARP - Evidence Based Comprehensive Beyond the School Day	84.425U	3/13/20-9/30/24	40,000	37,972
<u>State:</u>				
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	6,048,853	6,048,853
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	4,363,870	4,363,870
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	464,041	464,041

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

Summary of Auditors' Results: (Cont'd)

- 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.

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, 2022

Status of Prior Year Findings:

The District had no prior year audit findings.