

FAIR LAWN PUBLIC SCHOOLS

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive
Financial Report**

of the

Fair Lawn Public Schools

Fair Lawn, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

Fair Lawn Public Schools

FAIR LAWN PUBLIC SCHOOLS
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal	1
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
 FINANCIAL SECTION.....	 9
Independent Auditors' Report	10
Required Supplementary Information	13
Management's Discussion and Analysis	14
Basic Financial Statements (Sections A and B).....	22
A. District-Wide Financial Statements	23
A-1 Statement of Net Position	24
A-2 Statement of Activities.....	25
B. Fund Financial Statements.....	27
B-1 Balance Sheet – Governmental Funds	28
B-2 Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds.....	30
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
B-4 Statement of Net Position – Proprietary Funds.....	32
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds	33
B-6 Statement of Cash Flows - Proprietary Funds	34
Notes to the Basic Financial Statements.....	35
Required Supplementary Information	73
L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits	
Other than Pensions.....	74
L-1 Schedule of District's Proportionate Share of the Net Pension Liability- Public Employees Retirement System.....	74
L-2 Schedule of District Contributions – Public Employees Retirement System	75
L-3 Schedule of State's Proportionate Share of the Net Pension Liability Associated with the District - Teachers' Pension and Annuity Fund.....	76
L-4 Schedule of State Contributions - Teachers' Pension and Annuity Fund.....	77
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios.....	78
Notes to Required Supplementary Information	79

FAIR LAWN PUBLIC SCHOOLS
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

FINANCIAL SECTION (Cont'd)

Required Supplementary Information (Cont'd)

C. Budgetary Comparison Schedules.....	81
C-1 Budgetary Comparison Schedule – General Fund.....	82
C-2 Budgetary Comparison Schedule - Special Revenue Fund.....	99
C-3 Required Supplementary Information - Budgetary Comparison Schedule – Note to RSI.....	101

Other Supplementary Schedules (D.-I.)

D. School Level Schedules (Not Applicable).....	102
E. Special Revenue Fund	103
E-1 Combining Schedule of Program Revenue and Expenditures - Special Revenue Fund – Budgetary Basis.....	104
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund.....	108
F-1 Summary Schedule of Revenue, Expenditures and Changes in Fund Balance – Budgetary Basis.....	109
F-1A Schedule of Project Revenue, Expenditures and Project Balance and Project Status – Budgetary Basis – Various Capital Improvements.....	110
F-1B Schedule of Project Revenue, Expenditures and Project Balance and Project Status – Budgetary Basis – High School Auditorium HVAC System & Renovations and Additions To Middle Schools.....	111
G. Proprietary Funds (Enterprise Fund)	112
G-1 Statement of Net Position	113
G-2 Statement of Revenue, Expenses and Changes in Fund Net Position.....	114
G-3 Statement of Cash Flows	115
H. Fiduciary Activities (Not Applicable)	116
I. Long-Term Liabilities.....	117
I-1 Schedule of Serial Bonds	118
I-2 Schedule of Obligations Under Financed Purchases (Not Applicable)	119
I-3 Schedule of Obligations Under Leases (Not Applicable).....	120
I-4 Schedule of Obligations Under Subscription-Based Information Technology Arrangements (Not Applicable).....	121
I-5 Debt Service Fund Budgetary Comparison Schedule.....	122

FAIR LAWN PUBLIC SCHOOLS
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

STATISTICAL SECTION

J.	Statistical Section (Unaudited)	123
J-1	Net Position by Component	124
J-2	Changes in Net Position	125
J-3	Fund Balances - Governmental Funds	127
J-4	Changes in Fund Balances - Governmental Funds	128
J-5	General Fund Other Local Revenue by Source	130
J-6	Assessed Value and Actual Value of Taxable Property	131
J-7	Direct and Overlapping Property Tax Rates	132
J-8	Principal Property Taxpayers, Current Year and Nine Years Ago	133
J-9	Property Tax Levies and Collections	134
J-10	Ratios of Outstanding Debt by Type	135
J-11	Ratios of Net General Bonded Debt Outstanding	136
J-12	Ratios of Overlapping Governmental Activities Debt	137
J-13	Legal Debt Margin Information	138
J-14	Demographic and Economic Statistics	139
J-15	Principal Employers, Current Year and Nine Years Ago	140
J-16	Full-time Equivalent District Employees by Function/Program	141
J-17	Operating Statistics	142
J-18	School Building Information	143
J-19	Schedule of Required Maintenance	145
J-20	Insurance Schedule	146
K.	SINGLE AUDIT SECTION	147
K-1	Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	148
K-2	Independent Auditors' Report on Compliance for Each Major Federal and State Program and Report on Internal Control over Compliance Required by the Uniform Guidance and NJOMB 15-08	150
K-3	Schedule of Expenditures of Federal Awards	154
K-4	Schedule of Expenditures of State Awards	156
K-5	Notes to the Schedules of Expenditures of Federal and State Awards	158
K-6	Schedule of Findings and Questioned Costs	160
K-7	Summary Schedule of Prior Audit Findings	163

INTRODUCTORY SECTION
(UNAUDITED)

Fair Lawn Public Schools

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

December 15, 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, 2023, 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 2022-2023 fiscal year with an average daily enrollment of 5,482 students, an 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.

71% of our 2023 graduates aspired to attend 4-year colleges, and 21% aspired to attend 2-year colleges. 3.4% aspired to trade/technical school. 0.9% pursued military opportunities or entered employment and 3.7% of the students reported a gap-year or could not report their post secondary plans.

3) MAJOR INITIATIVES: (Cont'd)

Our 2023 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 was ranked #6 best small city in the county by WalletHub.
- Fair Lawn School District is ranked #24 best school district in NJ on Niche.com with an overall grade of A.
- Fair Lawn District is the #6 best school district in Bergen County.
- US News and World Report ranked FLHS within the top 9% of public high schools in the nation.
- Fair Lawn High School offers NJDOE-approved CTE sequences in areas of Architecture and Design, Finance, and Child Care.
- Almost 30 AP courses, numerous academic and elective courses including dual-college enrollment, inclusive of a concurrent Associate's Degree Program, over 70 student activities, 9 honor societies and 27 varsity sports.

Professional development in Fair Lawn is focused on the District's Strategic Plan, its annual goals, Professional Development Plan, and other District/School/Department initiatives. New teachers participate in a comprehensive summer orientation program as well as a supportive four-year induction program. During professional development opportunities, teachers collaborate on curriculum work, enhance their repertoire of instructional strategies, and engage in other tasks to improve their craft. District staff also participate in mental health, differentiation, Orton-Gillingham, and SIOP training to address the diverse needs of our students.

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 health and safety items such as roof and window replacements, instructional classroom renovations, and the installation of lighting at Sasso Football Field. The district plans to continue this work in successive budget cycles.

District Goals for the 2023-24 school year are:

1. Career and Technical Education (continuation goal) - Explore 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. Maintaining Student and Staff Well-Being - Continue to strengthen student and staff safety and well-being by utilizing technology, assessment procedures, and social emotional and behavioral support systems.
3. Tiered Academic Systems of Support - Enhance educational opportunities and outcomes for diverse learners using differentiated instruction.

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, 2023.

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.

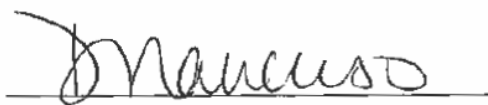
10) ACKNOWLEDGMENTS:

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,

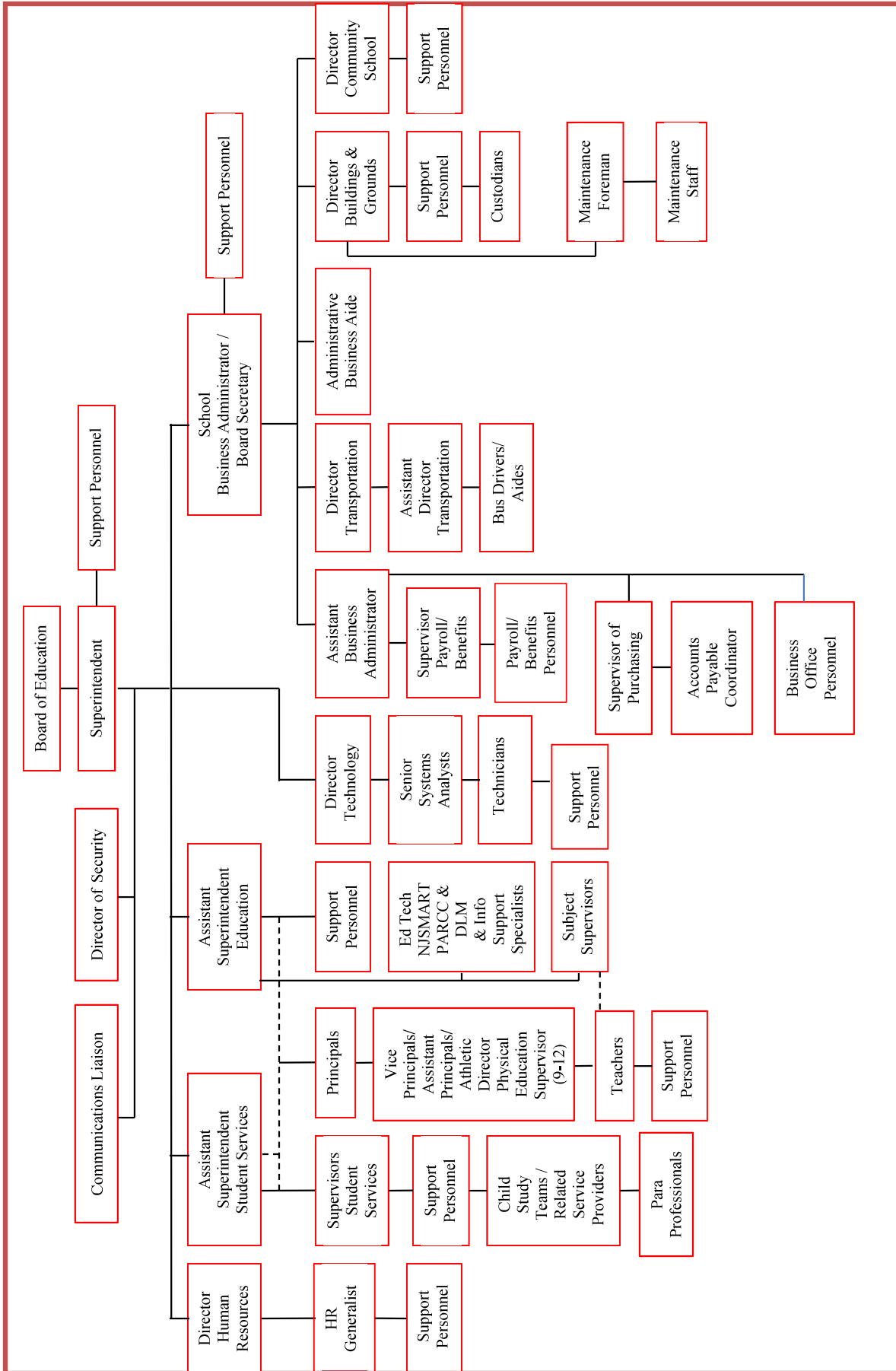


Dr. Rui Dionisio
Superintendent of Schools



Danielle Mancuso
School Business Administrator/Board Secretary

FAIR LAWN PUBLIC SCHOOLS ORGANIZATION CHART



**FAIR LAWN PUBLIC SCHOOLS
ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ronald Barbarulo, President	12/31/2023
Julie Mahan, Vice-President	12/31/2023
Joseph Baldofsky, Member	12/31/2024
Eugene M. Banta, Member	12/31/2024
Dr. Edward Bertolini, Member	12/31/2025
Rita Fayvelevich, Member	12/31/2023
Michael Rosenberg, Member	12/31/2025
Mark Spindel, Member	12/31/2024
Lisa Yourman, Member	12/31/2025

<u>Other Officers</u>	<u>Title</u>
Nicholas Norcia	Superintendent of Schools (until 7/23/2023)
Camille DeFranco	Acting Superintendent of Schools (7/24/2023-11/10/2023)
Dr. Rui Dionisio	Superintendent of Schools (from 11/13/2023)
John Serapiglia	School Business Administrator/Board Secretary (until 12/30/2022)
Melissa Beattie	Acting School Business Administrator/Board Secretary (1/1/2023-1/20/2023)
Danielle Mancuso	School Business Administrator/Board Secretary (from 1/23/2023)
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

ConnectOne Bank
301 Sylvan Avenue
Englewood Cliffs, NJ 07632

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, 2023, 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, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2023, 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 December 15, 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.

December 15, 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, 2023**

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, 2023. 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

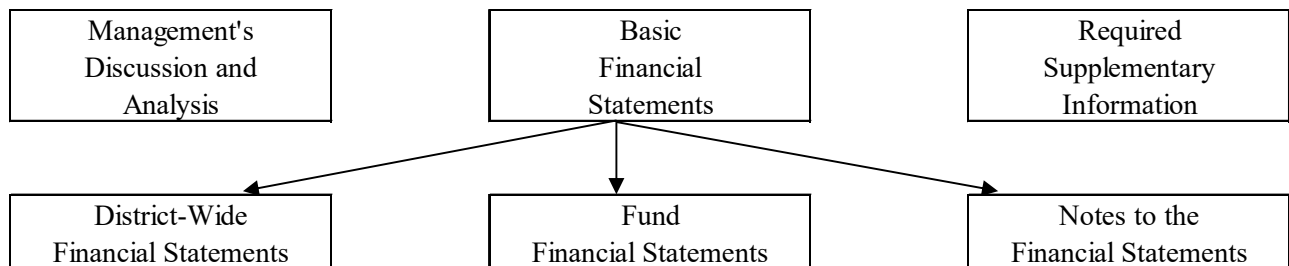
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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, 2023**

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, subscription 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, 2023

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 liabilities) 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, 2023

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 \$19,043,697. Net position from governmental activities increased by \$17,676,557 and net position from business-type activities increased by \$1,367,140. Net investment in capital assets increased by \$7,121,655, restricted net position increased by \$13,945,817, and unrestricted net position decreased by \$2,023,775. 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, and the deferred amount on the refunding serial bonds. 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 decrease 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 2022/23
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
Current and							
Other Assets	\$ 54,663,529	\$ 48,469,796	\$ 4,085,391	\$ 2,372,911	\$ 58,748,920	\$ 50,842,707	
Capital Assets, Net	73,112,914	68,538,251	467,454	433,529	73,580,368	68,971,780	
Total Assets	<u>127,776,443</u>	<u>117,008,047</u>	<u>4,552,845</u>	<u>2,806,440</u>	<u>132,329,288</u>	<u>119,814,487</u>	10.45%
Deferred Outflows of Resources	<u>3,224,099</u>	<u>2,637,120</u>			<u>3,224,099</u>	<u>2,637,120</u>	22.26%
Other Liabilities	4,931,213	5,188,859	438,489	59,224	5,369,702	5,248,083	
Long-Term Liabilities							
Outstanding	<u>57,438,970</u>	<u>57,234,485</u>			<u>57,438,970</u>	<u>57,234,485</u>	
Total Liabilities	<u>62,370,183</u>	<u>62,423,344</u>	<u>438,489</u>	<u>59,224</u>	<u>62,808,672</u>	<u>62,482,568</u>	0.52%
Deferred Inflows of Resources	<u>5,015,570</u>	<u>11,283,591</u>			<u>5,015,570</u>	<u>11,283,591</u>	-55.55%
Net Position:							
Net Investment in							
Capital Assets	35,248,127	28,160,397	467,454	433,529	35,715,581	28,593,926	
Restricted	45,299,866	31,354,049			45,299,866	31,354,049	
Unrestricted/(Deficit)	<u>(16,933,204)</u>	<u>(13,576,214)</u>	<u>3,646,902</u>	<u>2,313,687</u>	<u>(13,286,302)</u>	<u>(11,262,527)</u>	
Total Net Position	<u>\$ 63,614,789</u>	<u>\$ 45,938,232</u>	<u>\$ 4,114,356</u>	<u>\$ 2,747,216</u>	<u>\$ 67,729,145</u>	<u>\$ 48,685,448</u>	39.12%

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, 2023

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities <u>2022/23</u>	Business- Type Activities <u>2022/23</u>	Governmental Activities <u>2022/23</u>	Business- Type Activities <u>2021/22</u>	Total School District <u>2022/23</u>	Total School District <u>2021/22</u>	Percentage Change <u>2022/23</u>
Revenue:							
Program Revenue:							
Charges for Services	\$ 3,370,719	\$ 1,216,345	\$ 1,903,645	\$ 257,955	\$ 4,587,064	\$ 2,161,600	
Operating Grants and Contributions	26,240,937	4,364,068	33,085,500	6,043,675	30,605,005	39,129,175	
General Revenue:							
Property Taxes	97,245,363		95,389,587		97,245,363	95,389,587	
Unrestricted State and Federal Aid	12,083,024		6,608,547		12,083,024	6,608,547	
Other	2,327,359	16,076	1,221,661	4,005	2,343,435	1,225,666	
Total Revenue	<u>141,267,402</u>	<u>5,596,489</u>	<u>138,208,940</u>	<u>6,305,635</u>	<u>146,863,891</u>	<u>144,514,575</u>	1.63%
Expenses:							
Instruction	72,009,266		75,708,025		72,009,266	75,708,025	
Pupil and Instruction Services	21,965,074		21,569,092		21,965,074	21,569,092	
Administrative and Business	11,184,631		11,223,567		11,184,631	11,223,567	
Maintenance and Operations	10,644,300		10,472,879		10,644,300	10,472,879	
Transportation	4,921,689		4,133,570		4,921,689	4,133,570	
Other	2,865,885	4,229,349	2,702,517	4,698,176	7,095,234	7,400,693	
Total Expenses	<u>123,590,845</u>	<u>4,229,349</u>	<u>125,809,650</u>	<u>4,698,176</u>	<u>127,820,194</u>	<u>130,507,826</u>	-2.06%
Increase/(Decrease) in Net Position	<u>\$17,676,557</u>	<u>\$ 1,367,140</u>	<u>\$12,399,290</u>	<u>\$ 1,607,459</u>	<u>\$19,043,697</u>	<u>\$14,006,749</u>	35.96%

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, 2023**

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>2022/23</u>	<u>2022/23</u>	<u>2021/22</u>	<u>2021/22</u>
Instruction	\$ 72,009,266	\$ 49,118,352	\$ 75,708,025	\$ 46,276,142
Pupil and Instruction Services	21,965,074	20,316,682	21,569,092	19,925,631
Administrative and Business	11,184,631	9,536,981	11,223,567	9,600,613
Maintenance and Operations	10,644,300	10,644,300	10,472,879	10,472,879
Transportation	4,921,689	3,837,751	4,133,570	3,069,057
Other	2,865,885	525,123	2,702,517	1,476,183
	<u>\$ 123,590,845</u>	<u>\$ 93,979,189</u>	<u>\$ 125,809,650</u>	<u>\$ 90,820,505</u>

Business-Type Activities

Net position from the District’s business-type activity increased by \$1,367,140 (Refer to Figure A-4). The increase in net position was primarily due to an increase in daily sales as well as a decrease in expenses. The Seamless Summer Option program ended after the summer of 2023 and there was a return to normal food service operations.

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, 2023**

Capital Assets and Long-term Liabilities Administration

Figure A-6

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percentage
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	Change 2022/23
Sites and Site Improvements	\$ 3,208,817	\$ 3,424,656			\$ 3,208,817	\$ 3,424,656	
Construction in Progress	29,220,632	36,524,192			29,220,632	36,524,192	
Buildings and Building Improvements	37,385,026	25,227,339			37,385,026	25,227,339	
Machinery and Equipment	3,298,439	3,362,064	\$ 467,454	\$ 433,529	3,765,893	3,795,593	
Total	\$ 73,112,914	\$ 68,538,251	\$ 467,454	\$ 433,529	\$ 73,580,368	\$ 68,971,780	6.68%

Long-term Liabilities

The District's long term liabilities increased by \$204,485 or .36% from last year – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage
	2022/23	2021/22	Change 2022/23
General Obligation Bonds (Financed with Property Taxes)	\$ 38,475,000	\$ 41,040,000	
Net Pension Liability	18,337,873	15,485,641	
Compensated Absences Payable	626,097	708,844	
	\$ 57,438,970	\$ 57,234,485	0.36%

- The District continued to pay down its bonded debt, retiring \$2,565,000 of outstanding bonds.
- Compensated absences payable decreased by a net amount of \$82,747.
- Net pension liability increased by \$2,852,232.

Fair Lawn Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

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 increases 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, 2023

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 15,808,873	\$ 4,018,011	\$ 19,826,884
Receivables from State Government	3,987,066	1,786	3,988,852
Receivables from Federal Government	779,393	35,801	815,194
Other Accounts Receivable	79,849	29,793	109,642
Restricted Cash and Cash Equivalents	34,008,348		34,008,348
Capital Assets, Net:			
Sites (Land) and Construction in Progress	30,880,255		30,880,255
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	42,232,659	467,454	42,700,113
Total Assets	<u>127,776,443</u>	<u>4,552,845</u>	<u>132,329,288</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Amount on Refunding	610,213		610,213
Deferred Outflows Related to Pensions	2,613,886		2,613,886
Total Deferred Outflows of Resources	<u>3,224,099</u>		<u>3,224,099</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	3,772,720	103,488	3,876,208
Accrued Interest Payable	323,822		323,822
Payable to State Government	38,494		38,494
Unearned Revenue	796,177	335,001	1,131,178
Noncurrent Liabilities:			
Due Within One Year	2,669,197		2,669,197
Due Beyond One Year	54,769,773		54,769,773
Total Liabilities	<u>62,370,183</u>	<u>438,489</u>	<u>62,808,672</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	5,015,570		5,015,570
Total Deferred Inflows of Resources	<u>5,015,570</u>		<u>5,015,570</u>
<u>NET POSITION/</u>			
Net Investment in Capital Assets	35,248,127	467,454	35,715,581
Restricted for:			
Capital Projects	26,764,696		26,764,696
Debt Service	495,434		495,434
Maintenance Reserve	5,418,182		5,418,182
Emergency Reserve	607,028		607,028
Excess Surplus	10,631,518		10,631,518
Unemployment Compensation	898,798		898,798
Scholarships	23,215		23,215
Student Activities	460,995		460,995
Unrestricted/(Deficit)	<u>(16,933,204)</u>	<u>3,646,902</u>	<u>(13,286,302)</u>
Total Net Position	<u>\$ 63,614,789</u>	<u>\$ 4,114,356</u>	<u>67,729,145</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, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating		Governmental Activities	Business-type Activities	Total
			Grants and Contributions				
Governmental Activities:							
Instruction:							
Regular	\$ 49,269,029	\$ 63,824	\$ 10,836,406	\$ (38,368,799)	\$	\$ (38,368,799)	
Special Education	17,174,905	389,734	11,151,457	(5,633,714)		(5,633,714)	
Other Special Instruction	4,833,615		449,493	(4,384,122)		(4,384,122)	
School Sponsored/Other Instruction	731,717			(731,717)		(731,717)	
Support Services:							
Tuition	5,308,183			(5,308,183)		(5,308,183)	
Student and Instruction Related Services	16,656,891	487,586	1,160,806	(15,008,499)		(15,008,499)	
School Administrative Services	3,039,054		1,535,188	(1,503,866)		(1,503,866)	
General Administrative Services	4,779,390		112,462	(4,666,928)		(4,666,928)	
Central Services	1,712,196			(1,712,196)		(1,712,196)	
Administrative Information Technology	1,653,991			(1,653,991)		(1,653,991)	
Plant Operations and Maintenance	10,644,300			(10,644,300)		(10,644,300)	
Pupil Transportation	4,921,689	88,813	995,125	(3,837,751)		(3,837,751)	
Special Schools	1,682,766	2,340,762		657,996		657,996	
SDA Debt Service Assessment	77,256			(77,256)		(77,256)	
Transfer of Funds to Charter School	33,725			(33,725)		(33,725)	
Interest on Long-Term Debt	1,072,138			(1,072,138)		(1,072,138)	
Total Governmental Activities	123,590,845	3,370,719	26,240,937	(93,979,189)		(93,979,189)	
Business-Type Activities:							
Food Service	4,229,349	1,216,345	4,364,068		\$ 1,351,064	1,351,064	
Total Business-Type Activities	4,229,349	1,216,345	4,364,068		1,351,064	1,351,064	
Total Primary Government	\$ 127,820,194	\$ 4,587,064	\$ 30,605,005	\$ (93,979,189)	\$ 1,351,064	\$ (92,628,125)	

FAIR LAWN PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 94,644,551	\$	\$ 94,644,551
Property Taxes, Levied for Debt Service Principal	2,600,812		2,600,812
Federal, State and Local Aid not Restricted	12,083,024		12,083,024
Investment Earnings	103,268	\$ 16,076	119,344
Unrestricted Miscellaneous Income	2,224,091		2,224,091
Total General Revenues	111,655,746	16,076	111,671,822
Change in Net Position	17,676,557	1,367,140	19,043,697
Net Position - Beginning	45,938,232	2,747,216	48,685,448
Net Position - Ending	\$ 63,614,789	\$ 4,114,356	\$ 67,729,145

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

FUND FINANCIAL STATEMENTS

FAIR LAWN PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 15,148,873		\$ 641,462	\$ 18,538	\$ 15,808,873
Interfund Receivable	618,023			476,896	1,094,919
Receivables From State Government	3,980,407	\$ 6,659			3,987,066
Receivables From Federal Government		779,393			779,393
Other Accounts Receivables	79,849				79,849
Restricted Cash and Cash Equivalents	33,524,138	484,210			34,008,348
Total Assets	<u>\$ 53,351,290</u>	<u>\$ 1,270,262</u>	<u>\$ 641,462</u>	<u>\$ 495,434</u>	<u>\$ 55,758,448</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 2,090,552	\$ 85,260			\$ 2,175,812
Interfund Payable		618,023	\$ 476,896		1,094,919
Payable to State Government		38,494			38,494
Unearned Revenue	751,902	44,275			796,177
Total Liabilities	<u>2,842,454</u>	<u>786,052</u>	<u>476,896</u>		<u>4,105,402</u>
Fund Balances:					
Restricted:					
Excess Surplus - 2023-2024	1,975,930				1,975,930
Excess Surplus - 2024-2025	8,655,588				8,655,588
Capital Reserve	26,600,130				26,600,130
Maintenance Reserve	5,418,182				5,418,182
Emergency Reserve	607,028				607,028
Unemployment Compensation	898,798				898,798
Scholarships		23,215			23,215
Student Activities		460,995			460,995
Capital Projects			164,566		164,566
Debt Service				\$ 495,434	495,434
Assigned:					
Encumbrances	3,228,241				3,228,241
Unassigned	3,124,939				3,124,939
Total Fund Balances	<u>50,508,836</u>	<u>484,210</u>	<u>164,566</u>	<u>495,434</u>	<u>51,653,046</u>
Total Liabilities and Fund Balances	<u>\$ 53,351,290</u>	<u>\$ 1,270,262</u>	<u>\$ 641,462</u>	<u>\$ 495,434</u>	<u>\$ 55,758,448</u>

FAIR LAWN PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<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	\$ 51,653,046
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	73,112,914
Interest on Long-Term Debt is not Accrued in Governmental Funds, but Rather is Recognized as an Expenditure When Due.	(323,822)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(18,337,873)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	1,016,978
Deferred Inflows	(5,015,570)
The deferred amount on bond refunding is not reported as an expenditure in the Governmental Funds in the year of expenditure.	610,213
Long-Term Liabilities, Including Bonds Payable are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	<u>(39,101,097)</u>
Net Position of Governmental Activities	<u><u>\$ 63,614,789</u></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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 94,644,551			\$ 2,600,812	\$ 97,245,363
Tuition Charges	453,558				453,558
Transportation Fees from Individuals	88,813				88,813
Interest Earned on Capital Reserve Funds	103,043				103,043
Interest Earned on Maintenance Reserve Funds	200				200
Interest Earned on Emergency Reserve Funds	25				25
Other Restricted Miscellaneous Revenues	2,340,762	\$ 492,226			2,832,988
Unrestricted Miscellaneous Revenue	2,216,505		\$ 7,586		2,224,091
Total - Local Sources	99,847,457	492,226	7,586	2,600,812	102,948,081
State Sources	44,723,890	257,466		265,528	45,246,884
Federal Sources	87,207	2,931,568			3,018,775
Total Revenues	144,658,554	3,681,260	7,586	2,866,340	151,213,740
EXPENDITURES:					
Current:					
Regular Instruction	33,228,768	666,347			33,895,115
Special Education Instruction	11,729,527	1,360,650			13,090,177
Other Instruction	4,181,199				4,181,199
Support Services and Undistributed Costs:					
Tuition	5,308,183				5,308,183
Student and Other Instruction Related Services	13,098,185	1,588,735			14,686,920
General Administrative Services	848,695				848,695
School Administrative Services	4,588,721				4,588,721
Central Services	1,422,705				1,422,705
Administrative Information Technology	1,506,460				1,506,460
Plant Operations and Maintenance	9,924,088				9,924,088
Student Transportation	4,390,659				4,390,659
Unallocated Benefits	39,143,328				39,143,328
Capital Outlay	6,430,927	5,871			6,436,798
Special Schools	1,682,766				1,682,766
Transfer of Funds to Charter School	33,725				33,725
Debt Service:					
Principal				2,565,000	2,565,000
Interest and Other Charges				1,028,600	1,028,600
Total Expenditures	137,517,936	3,621,603		3,593,600	144,733,139
Excess/(Deficit) of Revenue Over/(Under) Expenditures	7,140,618	59,657	7,586	(727,260)	6,480,601
Other Financing Sources/(Uses):					
Transfers in				723,647	723,647
Transfers out	(478,762)		(244,885)		(723,647)
Total Other Financing Sources/(Uses)	(478,762)		(244,885)	723,647	
Net Change in Fund Balances	6,661,856	59,657	(237,299)	(3,613)	6,480,601
Fund Balance - July 1	43,846,980	424,553	401,865	499,047	45,172,445
Fund Balance - June 30	\$ 50,508,836	\$ 484,210	\$ 164,566	\$ 495,434	\$ 51,653,046

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, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 6,480,601
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	\$ (1,784,879)	
Capital Outlays	<u>6,359,542</u>	4,574,663
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 (+).		
		8,395
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.		
		2,565,000
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		
		(51,933)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		(2,852,232)
Change in Deferred Outflows		601,295
Change in Deferred Inflows		6,268,021
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>82,747</u>
Change in Net Position of Governmental Activities		<u>\$ 17,676,557</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, 2023

	Business-Type Activities - Enterprise Funds <u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 4,018,011
Intergovernmental Accounts Receivable:	
State	1,786
Federal	35,801
Other Accounts Receivable	<u>29,793</u>
Total Current Assets	<u>4,085,391</u>
Non-Current Assets:	
Capital Assets	1,030,219
Less: Accumulated Depreciation	<u>(562,765)</u>
Total Non-Current Assets	<u>467,454</u>
Total Assets	<u>4,552,845</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	103,488
Unearned Revenue - Prepaid Sales	84,702
Unearned Revenue - Supply Chain Assistance	250,299
Total Current Liabilities	<u>438,489</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	467,454
Unrestricted	<u>3,646,902</u>
Total Net Position	<u>\$ 4,114,356</u>

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, 2023

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 855,452
Non-Reimbursable Programs	358,134
Other Income	2,759
	1,216,345
Total Operating Revenue	1,216,345
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	1,191,111
Purchased Services (Including Fixed Price Contract)	2,879,670
Other Purchased Services	43,211
Supplies, Insurance and Other Costs	65,647
Miscellaneous Expenses	284
Depreciation Expense	49,426
	4,229,349
Total Operating Expenses	4,229,349
Operating Loss	(3,013,004)
Non-Operating Revenue:	
Local Sources:	
Interest Income	16,076
State Sources:	
State School Breakfast Program	273
State School Lunch Program	60,711
COVID-19 Seamless Summer Option	103,333
Federal Sources:	
School Breakfast Program	1,353,224
National School Lunch Program	2,823,244
Food Distribution Program	23,283
	4,380,144
Total Non-Operating Revenue	4,380,144
Change in Net Position	1,367,140
Net Position - Beginning of Year	2,747,216
Net Position - End of Year	\$ 4,114,356

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, 2023

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 1,224,518
Payments to Food Service Contractor	(4,047,498)
Payments for Suppliers	(8,826)
Net Cash Used for Operating Activities	<u>(2,831,806)</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(83,351)
Net Cash Used for Capital and Related Financing Activities	<u>(83,351)</u>
Cash Flows from Investing Activities:	
Interest Income	16,076
Net Cash Provided by Investing Activities	<u>16,076</u>
Cash Flows from Noncapital Financing Activities:	
State Sources Collected in Food Service Fund	166,246
Federal Sources Collected in Food Service Fund	4,591,371
Net Cash Provided by Noncapital Financing Activities	<u>4,757,617</u>
Net Increase in Cash and Cash Equivalents	1,858,536
Cash and Cash Equivalents, July 1	<u>2,159,475</u>
Cash and Cash Equivalents, June 30	<u>\$ 4,018,011</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	\$ (3,013,004)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	49,426
Food Distribution Program	23,283
Changes in Assets and Liabilities:	
Increase in Unearned Revenue - Prepaid Sales	32,774
(Decrease) in Unearned Revenue - Donated Commodities	(2,062)
Increase in Accounts Payable	98,254
(Increase) in Other Accounts Receivable	(22,539)
Decrease in Inventory	2,062
Net Cash Used for Operating Activities	<u>\$ (2,831,806)</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 \$21,221 and utilized U.S.D.A. Commodities valued at \$23,283.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023
(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, or subscription 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, 2023

(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, lease asset, or subscription 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, 2023
(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, 2023 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	\$ 145,170,506	\$ 3,681,260
Differences - Budgetary to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	1,076,051	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,588,003)	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 144,658,554	\$ 3,681,260

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 137,517,936	\$ 3,621,603
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 137,517,936</u>	<u>\$ 3,621,603</u>

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, 2023

(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, 2023.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(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. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. 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.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

O. 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, 2023.

P. 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.

Q. 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.

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue

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

T. Fund Balance Appropriated

General Fund: Of the \$50,508,836 General Fund fund balance at June 30, 2023, \$3,228,241 is assigned for encumbrances; \$11,131,518 is restricted for excess surplus in accordance with N.J.S.A.18A:17F-7 as amended by P.L. 2004, C.73 (S1701) (\$1,975,930 of prior year excess surplus has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2024; \$8,655,588 of current year excess surplus will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2025); \$26,600,130 is restricted in the capital reserve account; \$5,418,182 is restricted in the maintenance reserve account; \$607,028 is restricted in the emergency reserve account; \$898,798 is restricted for unemployment compensation; and \$3,124,939 of unassigned fund balance, which is \$1,588,003 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, 2024.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

T. Fund Balance Appropriated (Cont'd)

Special Revenue Fund: Of the fund balance of \$484,210 in Special Revenue Fund at June 30, 2023, \$23,215 is restricted for scholarships; \$460,995 is restricted for student activities.

Capital Projects Fund: The Capital Projects Fund fund balance at June 30, 2023 of \$164,566 is restricted.

Debt Service Fund: The \$495,434 of fund balance in the Debt Service Fund at June 30, 2023 is restricted, of which \$250,549 has been appropriated and included as anticipated revenue in the budget for the fiscal year ended June 30, 2024.

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, 2023 as noted on the prior page.

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.

U. Deficit Net Position

The District has a deficit in unrestricted net position of \$16,933,204 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 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.

V. 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, 2023 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 accumulated amortization, and subscription assets, net of accumulated amortization

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

V. Net Position: (Cont'd)

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.

W. 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

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, 2023.

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 encumbrances in the General Fund at June 30, 2023.

X. 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.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

X. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

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.

Y. 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. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

Z. 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.

AA. 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.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the section of this note on Investments.

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.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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;
- (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.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Investments: (Cont'd)

- (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.

As of June 30, 2023, 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	\$ 26,600,130	\$ 5,418,182	\$ 607,028	\$ 898,798	\$ 460,995	\$ 23,215	\$ 19,826,884	\$ 53,835,232
	<u>\$ 26,600,130</u>	<u>\$ 5,418,182</u>	<u>\$ 607,028</u>	<u>\$ 898,798</u>	<u>\$ 460,995</u>	<u>\$ 23,215</u>	<u>\$ 19,826,884</u>	<u>\$ 53,835,232</u>

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2023, was \$53,835,232 and the bank balance was \$56,009,465.

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.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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, 2022	\$ 21,568,687
Increased by:	
Transfer from Unassigned Fund Balance as per Board Resolution - June 2023	9,500,000
Interest Earnings	103,043
Unexpended Balance Returned from Capital Outlay	1,190,537
Decreased by:	
Budgeted Withdrawal - Capital Outlay	(5,283,375)
Budgeted Withdrawal - Debt Service Fund	<u>(478,762)</u>
Ending Balance, June 30, 2023	<u>\$ 26,600,130</u>

The balance in the capital reserve account at June 30, 2023 does not exceed the LRFP balance of local support costs of uncompleted capital projects. The budgeted withdrawal – capital outlay - was for use in DOE approved facilities projects, consistent with the District’s LRFP.

NOTE 5. EMERGENCY RESERVE ACCOUNT

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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 607,003
Increased by:	
Interest Earnings	<u>25</u>
Ending Balance, June 30, 2023	<u>\$ 607,028</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
 (Continued)

NOTE 6. 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, 2022	\$ 4,917,982
Increased by:	
Transfer from Unassigned Fund Balance as per Board Resolution - June 2023	500,000
Interest Earnings	<u>200</u>
Ending Balance, June 30, 2023	<u><u>\$ 5,418,182</u></u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 1,659,623			\$ 1,659,623
Construction in Progress	36,524,192	\$ 4,385,198	\$ (11,688,758)	29,220,632
Total Capital Assets Not Being Depreciated	<u>38,183,815</u>	<u>4,385,198</u>	<u>(11,688,758)</u>	<u>30,880,255</u>
Capital Assets Being Depreciated:				
Site Improvements	5,692,978			5,692,978
Buildings and Building Improvements	50,240,800	1,436,170	11,688,758	63,365,728
Machinery and Equipment	11,853,962	538,174		12,392,136
Total Capital Assets Being Depreciated	<u>67,787,740</u>	<u>1,974,344</u>	<u>11,688,758</u>	<u>81,450,842</u>
Governmental Activities Capital Assets	<u>105,971,555</u>	<u>6,359,542</u>		<u>112,331,097</u>
Less: Accumulated Depreciation for:				
Site Improvements	(3,927,945)	(215,839)		(4,143,784)
Buildings and Building Improvements	(25,013,461)	(967,241)		(25,980,702)
Machinery and Equipment	(8,491,898)	(601,799)		(9,093,697)
	<u>(37,433,304)</u>	<u>(1,784,879)</u>		<u>(39,218,183)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 68,538,251</u>	<u>\$ 4,574,663</u>	<u>\$ -0-</u>	<u>\$ 73,112,914</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 946,868	\$ 83,351		\$ 1,030,219
Less: Accumulated Depreciation	(513,339)	(49,426)		(562,765)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 433,529</u>	<u>\$ 33,925</u>	<u>\$ -0-</u>	<u>\$ 467,454</u>
Depreciation expense was charged to governmental functions as follows:				
Regular Instruction				\$ 1,074,482
School Sponsored/Other Instruction				17,865
Student and Instruction Related Services				260,639
General Administration				48,473
School Administration				27,995
Operations and Maintenance of Plant				122,195
Student Transportation				233,230
				<u>\$ 1,784,879</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2022	Accrued	Retired	Balance 6/30/2023
Serial Bonds Payable	\$ 41,040,000		\$ 2,565,000	\$ 38,475,000
Net Pension Liability	15,485,641	\$ 2,852,232		18,337,873
Compensated Absences Payable	708,844	68,275	151,022	626,097
	\$ 57,234,485	\$ 2,920,507	\$ 2,716,022	\$ 57,438,970

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, 2023 is \$-0- and the long-term portion is \$18,337,873. See Note 7 for further information on the PERS.

B. Bonds Authorized But Not Issued:

As of June 30, 2023, the Board had \$986 of 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, 2023 as follows:

	<u>Serial Bonds</u>		
Purpose	Final Maturity Date	Interest Rate	Amount
Refunding Bonds of 2022	03/01/35	0.675-2.288%	\$ 15,550,000
Various Improvements	09/01/43	3.125-3.50%	22,925,000
			\$ 38,475,000

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, 2023

(Continued)

NOTE 8. 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>
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	2,590,000	785,323	3,375,323
2029-2033	10,270,000	3,129,048	13,399,048
2034-2038	7,360,000	1,927,507	9,287,507
2039-2043	6,600,000	807,675	7,407,675
2044	1,320,000	23,100	1,343,100
	<u>\$ 38,475,000</u>	<u>\$ 10,272,396</u>	<u>\$ 48,747,396</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 \$79,197 and is separated from the long-term portion of compensated absences of \$546,900. 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, 2023, \$-0- is recorded for compensated absences in the Enterprise Funds.

NOTE 9. 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, 2023
(Continued)

NOTE 9. 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. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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 \$1,532,328 for fiscal year 2023. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$38,584 to the PERS for normal pension benefits on behalf of the District.

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

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District's liability was \$18,337,873 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.1215%, which was an decrease of 0.0092% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized a pension benefit in the amount of \$2,484,757 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$38,584 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. 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)

At June 30, 2023, 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	2018	5.63		\$ (440,807)
	2019	5.21		(550,860)
	2020	5.16		(1,619,827)
	2021	5.13		(134,412)
	2022	5.04	\$ 56,817	
			<u>56,817</u>	<u>(2,745,906)</u>
Difference Between Expected and Actual Experience	2018	5.63		(16,786)
	2019	5.21	42,108	
	2020	5.16	90,246	
	2021	5.13		(45,184)
	2022	5.04		(54,748)
			<u>132,354</u>	<u>(116,718)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	18,141	
	2020	5.00	545,127	
	2021	5.00	(3,400,153)	
	2022	5.00	3,595,873	
			<u>758,988</u>	
Changes in Proportion	2018	5.63		(328,283)
	2019	5.21		(157,584)
	2020	5.16		(263,319)
	2021	5.13	68,819	
	2022	5.04		(1,403,760)
			<u>68,819</u>	<u>(2,152,946)</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	1,596,908	
			<u>\$ 2,613,886</u>	<u>\$ (5,015,570)</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. 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
2023	\$ (1,573,004)
2024	(801,393)
2025	(390,824)
2026	852,630
2027	(1,873)
	\$ (1,914,465)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. 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, 2022) 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2023
(Continued)

NOTE 9. 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, 2022 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, 2022		
	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	\$ 23,558,796	\$ 18,337,873	\$ 13,894,658

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, 2023

(Continued)

NOTE 9. 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 2023, the State of New Jersey contributed \$16,498,022 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$5,418,841.

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, 2023, the State's proportionate share of the net pension liability associated with the District was \$201,348,136. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.39%, which was an increase of 0.0003% from its proportion measured as of June 30, 2021.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. 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		201,348,136
Total	\$	201,348,136

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$5,418,841 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 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	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			3,013,097,864	19,441,140,477
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845.00
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			699,820,974	122,664,916
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			1,172,371,073	
			\$ 4,885,289,911	\$ 19,563,805,393

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. 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
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$ (14,678,515,482)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75% – 4.25% 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. 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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2023
(Continued)

NOTE 9. 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, 2022 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, 2022		
	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	\$ 236,084,968	\$ 201,348,136	\$ 172,086,720

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 \$215,347 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$323,622 for the fiscal year ended June 30, 2023.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. 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, 2021, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	151,669
Active Plan Members	213,148
Total	364,817

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. 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, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

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.

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years	based on years	based on years
	of service	of service	of service

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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, 2023

(Continued)

NOTE 10. 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 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. 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, 2021	\$ 211,044,241
Changes for Year:	
Service Cost	9,595,703
Interest on the Total OPEB Liability	4,662,079
Change in Benefit Terms	-
Difference between Actual and Expected Experience	2,280,127
Changes of Assumptions	(47,192,171)
Gross Benefit Payments by the State	(4,617,927)
Contributions from Members	148,145
Net Changes	(35,124,044)
Balance at June 30, 2022	\$ 175,920,197

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. 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, 2022, 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, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 206,775,686	\$ 175,920,197	\$ 151,191,065

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, 2022, 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, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 145,408,796	\$ 175,920,197	\$ 215,998,776

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

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$5,526,963 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, 2022, 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, 2023

(Continued)

NOTE 10. 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		\$ 9,133,965
	2018	9.51		8,716,401
	2019	9.29	\$ 1,230,624	
	2020	9.24	29,055,581	
	2021	9.24	161,128	
	2022	9.13		42,023,259
			<u>30,447,333</u>	<u>59,873,625</u>
Differences between Expected and Actual Experience	2018	9.51		8,239,711
	2019	9.29		14,484,514
	2020	9.24	27,080,941	
	2021	9.24		30,986,245
	2022	9.13	4,327,792	
			<u>31,408,733</u>	<u>53,710,470</u>
Changes in Proportion	N/A	N/A	<u>2,236,587</u>	<u>2,714,169</u>
			<u>\$ 64,092,653</u>	<u>\$ 116,298,264</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
2023	\$ (8,743,312)
2024	(8,743,312)
2025	(8,743,312)
2026	(7,556,412)
2027	(4,320,857)
Thereafter	<u>(13,620,824)</u>
	<u>\$ (51,728,029)</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. 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, 2023 is as follows:

	New Jersey Schools Insurance Group
Total Assets	\$ 429,049,188
Net Position	\$ 201,308,725
Total Revenue	\$ 160,069,780
Total Expenses	\$ 141,165,428
Change in Net Position	\$ 18,904,352
Members Dividends	\$ 2,599,938

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, 2023
(Continued)

NOTE 11. 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>
2022-2023	\$ 8,015	\$ 222,111	\$ 290,310	\$ 898,798
2021-2022	2,143	276,230	194,932	958,982
2020-2021	2,814	267,423	179,146	875,541

NOTE 12. 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 13. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 618,023	
Special Revenue Fund		\$ 618,023
Capital Projects Fund		476,896
Debt Service Fund	476,896	
	<u>\$ 1,094,919</u>	<u>\$ 1,094,919</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 interest earnings and the cancellation of unexpended project balances in the Capital Projects Fund which were funded by serial bonds.

NOTE 14. 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, 2023
(Continued)

NOTE 15. 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 16. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2023, the District transferred \$155,974 to the capital outlay accounts for equipment which did not require approval from the County Superintendent.

NOTE 17. 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, 2023, there were encumbrances as detailed below in the governmental funds.

General Fund	Total Governmental Funds
\$ 3,228,241	\$ 3,228,241

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
District's proportion of the net pension liability	0.1551818755%	0.1522285199%	0.1520364380%	0.1499850290%	0.1359914937%	0.1329959669%	0.1302019808%	0.1307191351%	0.1215122639%	
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	\$ 18,337,873	
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	\$ 8,758,624	
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%	209.37%	
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%	62.91%	

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	\$ 1,532,328
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)	(1,532,328)
Contribution deficiency/(excess)	\$ -0-	\$ -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	\$ 9,134,286
Contributions as a percentage of covered employee payroll	13.16%	13.30%	14.39%	14.96%	14.82%	13.89%	16.29%	16.67%	16.78%

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
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%	0.3902517994%	
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	\$ 201,348,136	
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	\$ 47,330,279	
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%	425.41%	
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%	32.29%	

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	N/A	N/A	N/A	N/A	N/A	N/A	\$ 15,527,478	\$ 4,411,084	\$ 5,418,841
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)	(16,498,022)
Contribution deficiency/(excess)	N/A	N/A	N/A	N/A	N/A	N/A	\$ 4,192,485	\$ (11,654,242)	\$ (11,079,181)
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	\$ 47,330,279
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	25.82%	35.30%	34.86%

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 SIX 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	208,211
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	(25,105,215)
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>\$ 211,044,241</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%
					324%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2022 are based on the payroll on the June 30, 2016 - 2021 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, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

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

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

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 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.

BUDGETARY COMPARISON SCHEDULES

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 94,644,551		\$ 94,644,551	\$ 94,644,551	\$ 61,829
Tuition From Individuals	125,000		125,000	389,734	264,734
Tuition From Other LEAs Within the State				1,995	1,995
Tuition From Summer School	40,000		40,000	88,813	48,813
Transportation Fees From Individuals	163,000		83,000	637,409	554,409
Unrestricted Miscellaneous Revenues			80,000	1,579,096	1,499,096
Interest Earned	25			25	25
Interest Earned on Emergency Reserve	200			200	200
Interest Earned on Maintenance Reserve	2,000		2,000	103,043	101,043
Interest Earned on Capital Reserve Funds			2,121,236	2,340,762	219,526
Other Restricted Miscellaneous Revenues	2,121,011				
Total Revenues from Local Sources	97,095,787		97,095,787	99,847,457	2,751,670
Revenues from State Sources:					
Categorical Transportation Aid	840,898		840,898	840,898	
Extraordinary Aid	727,011		727,011	3,025,334	2,298,323
Categorical Special Education Aid	4,363,870		4,363,870	4,363,870	
Equalization Aid	11,138,211		11,138,211	11,138,211	
Categorical Security Aid	464,041		464,041	464,041	
Nonpublic Transportation Aid				156,458	156,458
Homeless Tuition Reimbursement				626,181	626,181
State Reimbursement for Lead Testing of Drinking Water				10,946	10,946
TPAF Post Retirement Contributions (Non-Budgeted)				4,394,120	4,394,120
TPAF Pension Contributions (Non-Budgeted)				16,498,022	16,498,022
TPAF Non-Contributory Insurance (Non-Budgeted)				228,891	228,891
TPAF Long-Term Disability Insurance (Non-Budgeted)				6,650	6,650
Reimbursed TPAF Social Security Contributions				3,482,220	3,482,220
Total Revenues from State Sources	17,534,031		17,534,031	45,235,842	27,701,811

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues from Federal Sources:					
Medicaid Reimbursement	\$ 60,522		\$ 60,522	\$ 82,544	\$ 22,022
Family First Coronavirus Response Act				4,663	4,663
Total Revenues from Federal Sources	<u>60,522</u>		<u>60,522</u>	<u>87,207</u>	<u>26,685</u>
TOTAL REVENUE	<u>114,690,340</u>		<u>114,690,340</u>	<u>145,170,506</u>	<u>30,480,166</u>
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	1,213,921	\$ 103,647	1,317,568	1,276,968	40,600
Grades 1-5 - Salaries of Teachers	11,128,250	(117,193)	11,011,057	10,874,188	136,869
Grades 6-8 - Salaries of Teachers	8,805,720	(344,635)	8,461,085	8,407,819	53,266
Grades 9-12 - Salaries of Teachers	9,799,693	(275,010)	9,524,683	9,494,732	29,951
Regular Programs - Home Instruction:					
Salaries of Teachers	90,000	12,200	102,200	68,192	34,008
Purchased Professional-Educational Services	26,000	20,290	46,290	35,070	11,220
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	991,891	309,324	1,301,215	1,301,215	
Purchased Technical Services	17,000	(12,168)	4,832	4,832	
Other Purchased Services (400-500 series)	18,700	(2,650)	16,050	13,451	2,599
General Supplies	1,709,730	(253,927)	1,455,803	1,352,496	103,307
Textbooks	198,910	(167,604)	31,306	30,897	409
Other Objects	187,507	193,021	380,528	373,740	6,788
Total Regular Programs - Instruction	<u>34,187,322</u>	<u>(534,705)</u>	<u>33,652,617</u>	<u>33,228,768</u>	<u>423,849</u>

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education - Instruction:					
Learning and/or Language Disabilities - Mild to Moderate:					
Salaries of Teachers	\$ 798,587	\$ 47,250	\$ 845,837	\$ 834,957	\$ 10,880
Other Salaries for Instruction	725,344	558,112	1,283,456	1,274,995	8,461
Purchased Professional-Educational Services	31,399	42,881	74,280	73,449	831
General Supplies	1,500	4,511	6,011	4,523	1,488
Textbooks	2,500	(2,174)	326	326	
Total Learning and/or Language Disabilities - Mild to Moderate	1,559,330	650,580	2,209,910	2,188,250	21,660
Emotional Regulation Impairment:					
Salaries of Teachers	504,604	19,409	524,013	517,215	6,798
Other Salaries for Instruction	257,010	23,238	280,248	280,248	
Purchased Professional-Educational Services	5,602	11,514	17,116	16,376	740
General Supplies	1,320	1,141	2,461	1,967	494
Textbooks	3,000	(2,626)	374	374	
Other Objects	1,000	(670)	330	330	
Total Emotional Regulation Impairment	772,536	52,006	824,542	816,136	8,406
Multiple Disabilities:					
Salaries of Teachers	300,227	19,244	319,471	312,984	6,487
Other Salaries for Instruction	665,406	(66,532)	598,874	575,034	23,840
Purchased Professional-Educational Services	5,166	29,236	34,402	32,731	1,671
General Supplies	6,000	(4,057)	1,943	1,691	252
Other Objects	1,000	620	1,620	1,266	354
Total Multiple Disabilities	977,799	(21,489)	956,310	923,706	32,604

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Resource Room/Resource Center:					
Salaries of Teachers	\$ 3,853,841	\$ 149,600	\$ 4,003,441	\$ 3,955,755	\$ 47,686
Purchased Professional-Educational Services	14,126	42,517	56,643	56,643	
General Supplies	5,000	2,800	7,800	7,369	431
Textbooks	2,000	(600)	1,400	1,199	201
Other Objects		46	46	46	
Total Resource Room/Resource Center	3,874,967	194,363	4,069,330	4,021,012	48,318
Autism:					
Salaries of Teachers	758,057	3,362	761,419	747,076	14,343
Other Salaries for Instruction	858,100	45,526	903,626	884,253	19,373
Purchased Professional-Educational Services	19,937	49,651	69,588	68,721	867
General Supplies	25,022	(21,598)	3,424	3,133	291
Total Autism	1,661,116	76,941	1,738,057	1,703,183	34,874
Preschool Disabilities - Part-Time:					
Salaries of Teachers	367,141	23,085	390,226	381,466	8,760
Other Salaries for Instruction	208,870	66,486	275,356	275,356	
Purchased Professional-Educational Services	7,220	16,571	23,791	18,475	5,316
General Supplies	1,000		1,000	988	12
Total Preschool Disabilities - Part-Time	584,231	106,142	690,373	676,285	14,088
Preschool Disabilities - Full-Time:					
Salaries of Teachers	269,972	17,027	286,999	282,259	4,740
Other Salaries for Instruction	621,150	118,788	739,938	735,192	4,746
Purchased Professional-Educational Services	7,369	22,983	30,352	22,813	7,539
General Supplies	1,472	15,380	16,852	16,102	750
Other Objects	1,000	(877)	123	123	
Total Preschool Disabilities - Full-Time	900,963	173,301	1,074,264	1,056,366	17,898

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home Instruction:					
Salaries of Teachers	\$ 95,000	\$ 33,953	\$ 128,953	\$ 127,534	\$ 1,419
Purchased Professional-Educational Services	150,000	99,865	249,865	217,055	32,810
Total Home Instruction	245,000	133,818	378,818	344,589	34,229
TOTAL SPECIAL EDUCATION - INSTRUCTION	10,575,942	1,365,662	11,941,604	11,729,527	212,077
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	167,612	17,494	185,106	174,489	10,617
General Supplies	30,054	(26,678)	3,376	3,376	
Other Objects		2,145	2,145	2,145	
Total Basic Skills/Remedial - Instruction	197,666	(7,039)	190,627	180,010	10,617
Bilingual Education - Instruction:					
Salaries of Teachers	1,056,011	119,667	1,175,678	1,159,035	16,643
General Supplies	18,145	(8,736)	9,409	8,523	886
Other Objects		8,736	8,736	8,736	
Total Bilingual Education - Instruction	1,074,156	119,667	1,193,823	1,176,294	17,529
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	543,850	(58,615)	485,235	457,447	27,788
Supplies and Materials	10,000	27	10,027	7,709	2,318
Other Objects	43,500	(2,358)	41,142	37,000	4,142
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:	597,350	(60,946)	536,404	502,156	34,248

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Salaries	\$ 664,001	\$ 52,835	\$ 716,836	\$ 646,808	\$ 70,028
Purchased Services (300-500 series)	103,500	(7,825)	95,675	93,470	2,205
Supplies and Materials	68,124	(1,499)	66,625	61,046	5,579
Other Objects	148,835	(7,804)	141,031	119,030	22,001
Total School-Sponsored Athletics - Instruction	984,460	35,707	1,020,167	920,354	99,813
Summer School - Instruction:					
Salaries of Teachers	25,000	(25,000)			
Total Summer School - Instruction	25,000	(25,000)			
Total Summer School	25,000	(25,000)			
Other Supplemental/At Risk Programs - Instruction:					
Salaries of Teacher Tutors	1,267,559	(122,338)	1,145,221	1,145,221	
Salaries of Reading Specialists	202,664	(1,299)	201,365	201,350	15
Purchased Professional & Technical Services		56,209	56,209	55,814	395
General Supplies	200		200		200
Total Other Suppl/At-Risk Prog - Instruction	1,470,423	(67,428)	1,402,995	1,402,385	610
Total Other Supplemental/At-Risk Programs	1,470,423	(67,428)	1,402,995	1,402,385	610
TOTAL INSTRUCTION	49,112,319	825,918	49,938,237	49,139,494	798,743

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	\$ 143,698	8,267	\$ 8,267	\$ 8,267	\$ 98,306
Tuition to Other LEAs Within the State-Special	726,357	7,092	150,790	52,484	29,592
Tuition to County Voc. School Dist.-Regular	281,318	19,134	745,491	715,899	202,847
Tuition to County Voc. School Dist.-Special	1,653,299	163,143	444,461	241,614	57,415
Tuition to CSSD & Reg. Day Schools	4,165,015	(201,081)	1,452,218	1,394,803	784,644
Tuition to Priv. Sch. for the Handicap. W/I State	39,872	(617,913)	3,547,102	2,762,458	39,872
Tuition - State Facilities	163,404	(21,729)	141,675	132,658	9,017
Tuition - Other	7,172,963	(643,087)	6,529,876	5,308,183	1,221,693
Total Undistributed Expenditures - Instruction	62,784	722	63,506	63,506	
Undist. Expend. - Attendance and Social Work	62,784	722	63,506	63,506	
Salaries					
Total Undist. Expend. - Attendance and Social Work	1,034,447	(32,744)	1,001,703	938,179	63,524
Undistributed Expenditures - Health Services:	1,379,920	84,274	1,464,194	1,174,106	290,088
Salaries	45,171	5	45,176	44,031	1,145
Purchased Professional and Technical Services	28,379	(9,640)	18,739	15,232	3,507
Other Purchased Services (400-500 series)	2,487,917	41,895	2,529,812	2,171,548	358,264
Supplies and Materials					
Total Undist. Expenditures - Health Services	2,091,831	9,910	2,101,741	2,090,723	11,018
Undist. Expend. - Speech, OT, PT, Related Svcs:	1,049,458	(180,781)	868,677	644,822	223,855
Salaries	10,000	(56)	9,944	6,543	3,401
Purchased Professional - Educational Services	3,151,289	(170,927)	2,980,362	2,742,088	238,274
Supplies and Materials					
Total Undist. Expend. - Speech, OT, PT, Related Svcs					

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.:					
Purchased Professional - Educational Services	\$ 42,112	\$ (1,446)	\$ 40,666	\$ 39,813	\$ 853
Supplies and Materials	27,182	(14,011)	13,171	8,498	4,673
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Serv.	69,294	(15,457)	53,837	48,311	5,526
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	1,406,040	54,822	1,460,862	1,374,912	85,950
Salaries of Secretarial and Clerical Assistants	268,282	3,434	271,716	257,910	13,806
Other Salaries	144,737	5,870	150,607	150,107	500
Unused Vacation Payment to Terminated/Retired Staff		2,767	2,767	2,767	
Supplies and Materials	6,000		6,000	3,830	2,170
Other Objects	14,500	2,845	17,345	15,245	2,100
Total Undist Expend. - Guidance	1,839,559	69,738	1,909,297	1,804,771	104,526
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	2,342,716	(59,217)	2,283,499	2,220,213	63,286
Salaries of Secretarial and Clerical Assistants	235,109	7,763	242,872	242,872	
Other Salaries	2,161,685	(833,910)	1,327,775	1,298,840	28,935
Purchased Professional - Educational Services	273,701	358,214	631,915	595,798	36,117
Other Purchased Services (400-500 series)	7,500	(517)	6,983	5,928	1,055
Supplies and Materials	39,937	11,180	51,117	39,604	11,513
Other Objects	7,750	(994)	6,756	6,683	73
Total Undist Expend. - Child Study Team	5,068,398	(517,481)	4,550,917	4,409,938	140,979

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	\$ 494,371	\$ (1,687)	\$ 492,684	\$ 492,422	\$ 262
Salaries of Other Professional Staff	107,242	(1,499)	105,743	100,358	5,385
Salaries of Secretarial and Clerical Assistants	45,000	2,421	47,421	47,172	249
Other Salaries	47,000	562	47,562	44,523	3,039
Sal of Facilitators, Math Coaches & Literacy Coaches	2,500	(34)	2,466	935	1,531
Other Purchased Services (400-500 series)	2,190		2,190	1,467	723
Supplies and Materials	2,700	34	2,734	2,734	
Other Objects					
Total Undist. Expend.-Improv. of Inst. Serv.	<u>701,003</u>	<u>(203)</u>	<u>700,800</u>	<u>689,611</u>	<u>11,189</u>
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	407,991	38,803	446,794	424,504	22,290
Salaries of Technology Coordinators	358,137	40,234	398,371	396,371	2,000
Supplies and Materials	49,900	69	49,969	49,221	748
Total Undist Expend-Edu. Media Serv./Sch. Library	<u>816,028</u>	<u>79,106</u>	<u>895,134</u>	<u>870,096</u>	<u>25,038</u>
Undist. Expend.-Instructional Staff Training Services:					
Salaries of Supervisors of Instruction		28	28	28	
Salaries of Other Professional Staff	240,566	8,268	248,834	248,392	442
Purchased Professional - Educational Service	47,900	(27)	47,873	23,920	23,953
Other Purchased Services (400-500 series)	22,240		22,240	21,186	1,054
Supplies and Materials	1,000	140	1,140	490	650
Other Objects	10,100		10,100	4,300	5,800
Total Undist. Expend.-Instructional Staff Training Services	<u>321,806</u>	<u>8,409</u>	<u>330,215</u>	<u>298,316</u>	<u>31,899</u>

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 336,872	\$ 811	\$ 337,683	\$ 333,643	\$ 4,040
Unused Vacation Payment to Terminated/Retired Staff	253,363	9,101	9,101	9,101	
Legal Services	102,000	(4,167)	249,196	174,988	74,208
Audit Fees	31,897		102,000	51,950	50,050
Architectural/Engineering Services	30,000	18,610	31,897	12,785	19,112
Other Purchased Professional Services	7,000	4,000	48,610	46,010	2,600
Purchased Technical Services	203,674	(60,016)	11,000	11,000	
Communications / Telephone	5,930	4,167	143,658	79,930	63,728
BOE Other Purchased Services	45,779	15,282	10,097	4,884	5,213
Other Purch. Serv. (400-500 series other than 530 & 585)	5,706	13,500	61,061	38,136	22,925
General Supplies	125,000	(15,310)	19,206	17,642	1,564
Judgments Against The School District	43,240	(4,132)	109,690	32,730	76,960
Miscellaneous Expenditures	1,190,461	(18,154)	39,108	35,896	3,212
Total Undist. Expend.-Support Serv.-Gen. Admin.			<u>1,172,307</u>	<u>848,695</u>	<u>323,612</u>
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	3,086,637	44,617	3,131,254	3,110,269	20,985
Salaries of Other Professional Staff	506,681	(727)	505,954	505,693	261
Salaries of Secretarial and Clerical Assistants	938,249	11,738	949,987	938,520	11,467
Unused Vacation Payment to Terminated/Retired Staff	34,200	2,767	2,767	2,767	
Other Objects	4,565,767	251	34,451	31,472	2,979
Total Undist. Expend.-Support Serv.-School Adm.		<u>58,646</u>	<u>4,624,413</u>	<u>4,588,721</u>	<u>35,692</u>

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 1,464,413	\$ (67,370)	\$ 1,397,043	\$ 1,319,938	\$ 77,105
Unused Vacation Payment to Terminated/Retired Staff		7,606	7,606	7,606	
Purchased Professional Services	105,731	(947)	104,784	38,976	65,808
Purchased Technical Services	5,202	(4,870)	332		332
Miscellaneous Purchased Services (400-500 series other than 594)	79,276	472	79,748	42,004	37,744
Supplies and Materials	10,289	519	10,808	9,863	945
Other Objects	5,000	(239)	4,761	4,318	443
Total Undist. Expend. - Central Services	<u>1,669,911</u>	<u>(64,829)</u>	<u>1,605,082</u>	<u>1,422,705</u>	<u>182,377</u>
Undist. Expend. - Admin. Info. Technology:					
Salaries	749,897	(36,270)	713,627	672,669	40,958
Unused Vacation Payment to Terminated/Retired Staff		6,024	6,024	6,024	
Purchased Professional Services	297,075	19,168	316,243	305,488	10,755
Purchased Technical Services	316,834	16,707	333,541	330,519	3,022
Other Purchased Services (400-500 series)	158,914	(1,402)	157,512	145,379	12,133
Supplies and Materials	144,000	(95,200)	48,800	36,827	11,973
Other Objects	76,500	(16,136)	60,364	9,554	50,810
Total Undist. Expend. - Admin. Info. Technology	<u>1,743,220</u>	<u>(107,109)</u>	<u>1,636,111</u>	<u>1,506,460</u>	<u>129,651</u>
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	792,164	(63,450)	728,714	699,633	29,081
Unused Vacation Payment to Terminated/Retired Staff		4,820	4,820	4,820	
Cleaning, Repair, and Maintenance Services	641,203	65,259	706,462	627,356	79,106
Lead Testing of Drinking Water	2,000		2,000	1,196	804
General Supplies	301,141	(22,482)	278,659	238,101	40,558
Total Undist. Expend.- Required Maint. for School Facilities	<u>1,736,508</u>	<u>(15,853)</u>	<u>1,720,655</u>	<u>1,571,106</u>	<u>149,549</u>

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 978,572	\$ 76,638	\$ 1,055,210	\$ 1,034,744	\$ 20,466
Salaries of Non-Instructional Aides	480,100	44,840	524,940	476,754	48,186
Unused Vacation Payment to Terminated/Retired Staff	5,000		5,000		5,000
Purchased Professional and Technical Services	72,034	33,397	105,431	97,444	7,987
Cleaning, Repair, and Maintenance Services	2,892,551	(11,642)	2,880,909	2,834,721	46,188
Other Purchased Property Services	133,755	(9,531)	124,224	110,270	13,954
Insurance	550,456	(21,887)	528,569	527,941	628
Miscellaneous Purchased Services	41,616	(27,187)	14,429	13,324	1,105
General Supplies	340,668	76,750	417,418	400,861	16,557
Energy (Natural Gas)	679,500	51,009	730,509	573,153	157,356
Energy (Electricity)	1,059,710	(86,310)	973,400	815,517	157,883
Energy (Gasoline)	46,000	20,000	66,000	63,795	2,205
Other Objects	5,275	23,497	28,772	17,602	11,170
Total Undist. Expend.-Custodial Services	7,285,237	169,574	7,454,811	6,966,126	488,685
Care and Upkeep of Grounds:					
Salaries	279,260	(293)	278,967	278,625	342
Unused Vacation Payment to Terminated/Retired Staff	500		500		500
Cleaning, Repair, and Maintenance Services	105,235	(41,332)	63,903	40,004	23,899
General Supplies	27,270	13,610	40,880	30,109	10,771
Total Care And Upkeep Of Grounds	412,265	(28,015)	384,250	348,738	35,512
Security:					
Salaries	302,497	58,752	361,249	338,110	23,139
Purchased Professional and Technical Services	2,000	6,771	8,771	7,634	1,137
Cleaning, Repair, and Maintenance Services	602,500	69,034	671,534	639,893	31,641
General Supplies	65,000	(5,441)	59,559	52,481	7,078
Other Objects	4,900	(4,709)	191		191
Total Security	976,897	124,407	1,101,304	1,038,118	63,186
Total Undist. Expend.-Oper. And Maint. Of Plant Serv.	10,410,907	250,113	10,661,020	9,924,088	736,932

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Salaries of Non-Instructional Aides					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	\$ 303,745	\$ (7,000)	\$ 296,745	\$ 292,988	\$ 3,757
Sal. for Pupil Trans. (Bet. Home and Sch.)-Spl. Ed.	954,245	(146,397)	807,848	801,086	6,762
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	250,500	19,688	270,188	263,740	6,448
Unused Vacation Payment to Terminated/Retired Staff		811	811	811	
Management Fee - ESC&CTSA Transportation Program	72,800	17,105	89,905	86,629	3,276
Other Purchased Professional and Technical Services	500	(222)	278	278	
Cleaning, Repair, and Maint. Services	84,640	23,115	107,755	101,697	6,058
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	540,000	(117,958)	422,042	390,215	31,827
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	45,000	(40,000)	5,000	5,000	
Contract. Serv.(Spl. Ed. Students)-Vendors	15,000	1,077	16,077	14,188	1,889
Contract. Serv.(Reg. Students)-ESCs & CTSA	223,000	311,574	534,574	498,160	36,414
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA	1,670,000	252,483	1,922,483	1,839,970	82,513
Misc. Purchased Serv. - Transportation	49,932	(1,910)	48,022	43,261	4,761
General Supplies	64,000	(21,441)	42,559	32,005	10,554
Transportation Supplies	30,000	(5,000)	25,000	17,579	7,421
Other Objects	4,700	(55)	4,645	3,330	1,315
Total Undist. Expend.-Student Trans. Serv.	<u>4,308,062</u>	<u>285,870</u>	<u>4,593,932</u>	<u>4,390,659</u>	<u>203,273</u>
UNALLOCATED BENEFITS					
Group Insurance	77,620	(10,400)	67,220	67,187	33
Social Security Contributions	1,412,383	80,000	1,492,383	1,371,699	120,684
Other Retirement Contributions - PERS	1,559,291	(71,003)	1,488,288	1,455,395	32,893
Other Retirement Contributions - Regular	198,607	38,875	237,482	215,347	22,135
Workers Compensation	506,603	1,742	508,345	499,794	8,551
Health Benefits	13,649,273	(283,145)	13,366,128	10,748,586	2,617,542
Tuition Reimbursement	60,000		60,000	44,580	15,420
Other Employee Benefits	17,198	4,787	21,985	17,949	4,036
Unused Sick Payment to Terminated/Retired Staff	140,000		140,000	112,888	27,112
TOTAL UNALLOCATED BENEFITS	<u>17,620,975</u>	<u>(239,144)</u>	<u>17,381,831</u>	<u>14,533,425</u>	<u>2,848,406</u>

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				\$ 4,394,120	\$ (4,394,120)
TPAF Pension Contributions (Non-Budgeted)				16,498,022	(16,498,022)
TPAF Non-Contributory Insurance (Non-Budgeted)				228,891	(228,891)
TPAF Long-Term Disability Insurance (Non-Budgeted)				6,650	(6,650)
Reimbursed TPAF Social Security Contributions				3,482,220	(3,482,220)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				24,609,903	(24,609,903)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 17,620,975	\$ (239,144)	\$ 17,381,831	39,143,328	(21,761,497)
TOTAL UNDISTRIBUTED EXPENDITURES	63,200,344	(981,892)	62,218,452	80,231,024	(18,012,572)
TOTAL GENERAL CURRENT EXPENSE	112,312,663	(155,974)	112,156,689	129,370,518	(17,213,829)
CAPITAL OUTLAY					
Equipment					
Grades 1-5	17,590	17,095	34,685	26,100	8,585
Grades 6-8		19,580	19,580	19,580	
Grades 9-12	133,043	5,030	138,073	75,739	62,334
Special Education - Instruction:					
Multiple Disabilities		3,900	3,900	3,800	100
Preschool Disabilities - Part-Time	9,145		9,145	9,145	
Preschool Disabilities - Full-Time	9,145		9,145	9,145	
School-Sponsored and Other Instructional Programs		6,975	6,975	6,975	

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed:					
Undist. Expend. - Supp Serv. - Related & Extraord.		\$ 6,811	\$ 6,811	\$ 5,923	\$ 888
Undistributed Expenditures - Admin. Info. Tech.	\$ 217,782	69,346	287,128	200,501	86,627
Undist. Expend. - Required Maint for School Fac.	5,750		5,750	5,750	
Undist. Expend. - Custodial Services		14,584	14,584	14,237	347
Undist. Expend. - Care and Upkeep of Grounds	220,000	9,073	229,073	22,204	206,869
Undist. Expend. - Security	4,846	3,580	8,426	8,426	
School Buses - Special	130,000		130,000	124,778	5,222
Total Equipment	<u>747,301</u>	<u>155,974</u>	<u>903,275</u>	<u>532,303</u>	<u>370,972</u>
Facilities Acquisition and Construction Serv.:					
Construction Services	12,760,595		12,760,595	5,821,368	6,939,227
Assessment for Debt Service on SDA Funding	77,256		77,256	77,256	
Total Facilities Acquisition and Const. Serv.	<u>12,837,851</u>		<u>12,837,851</u>	<u>5,898,624</u>	<u>6,939,227</u>
TOTAL CAPITAL OUTLAY	<u>13,585,152</u>	<u>155,974</u>	<u>13,741,126</u>	<u>6,430,927</u>	<u>7,310,199</u>
SPECIAL SCHOOLS					
Other Special Schools - Instruction:					
Salaries of Teachers	29,923	7,439	37,362	37,362	
General Supplies	2,500		2,500		2,500
Total Other Special Schools - Instruction	<u>32,423</u>	<u>7,439</u>	<u>39,862</u>	<u>37,362</u>	<u>2,500</u>
Total Other Special Schools	<u>32,423</u>	<u>7,439</u>	<u>39,862</u>	<u>37,362</u>	<u>2,500</u>

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Adult Education-Local-Instruction:					
Salaries of Teachers	\$ 508,326	\$ 13,601	\$ 521,927	\$ 418,724	\$ 103,203
Other Salaries for Instruction	332,525		332,525	263,613	68,912
Purchased Professional and Technical Services	60,088	14,765	74,853	54,538	20,315
General Supplies	138,452	(36,106)	102,346	73,263	29,083
Other Objects	184,884	3,708	188,592	138,344	50,248
Total Adult Education-Local-Instruction	1,224,275	(4,032)	1,220,243	948,482	271,761
Adult Education-Local-Support Serv.:					
Salaries	354,338	21,920	376,258	349,108	27,150
Purchased Professional and Technical Services	37,000		37,000	20,667	16,333
Other Purchased Services (400-500 series)	200,510	(33,540)	166,970	112,629	54,341
Other Objects	272,690	8,213	280,903	214,518	66,385
Total Adult Education-Local-Support Serv.	864,538	(3,407)	861,131	696,922	164,209
Total Adult Education - Local	2,088,813	(7,439)	2,081,374	1,645,404	435,970
TOTAL SPECIAL SCHOOLS	2,121,236		2,121,236	1,682,766	438,470
Transfer of Funds to Charter Schools	94,767		94,767	33,725	61,042
TOTAL EXPENDITURES	128,113,818		128,113,818	137,517,936	(9,404,118)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(13,423,478)		(13,423,478)	7,652,570	21,076,048

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Withdrawal from Capital Reserve - Transfer to Debt Service Fund	\$ (478,762)		\$ (478,762)	\$ (478,762)	
Total Other Financing Sources/(Uses)	<u>(478,762)</u>		<u>(478,762)</u>	<u>(478,762)</u>	
Excess/(Deficit) of Revenues and Other Financing Sources	(13,902,240)		(13,902,240)	7,173,808	\$ 21,076,048
Over/(Under) Expenditures and Other Financing Uses	44,923,031		44,923,031	44,923,031	
Fund Balance, July 1					
Fund Balance, June 30	<u>\$ 31,020,791</u>	<u>\$ -0-</u>	<u>\$ 31,020,791</u>	<u>\$ 52,096,839</u>	<u>\$ 21,076,048</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2023-2024				\$ 1,975,930	
Excess Surplus - Restricted For 2024-2025				8,655,588	
Capital Reserve				26,600,130	
Maintenance Reserve				5,418,182	
Emergency Reserve				607,028	
Unemployment Compensation				898,798	
Assigned Fund Balance:					
Year End Encumbrances				3,228,241	
Unassigned Fund Balance				<u>4,712,942</u>	
				<u>52,096,839</u>	
Reconciliation to Governmental Funds Statement (GAAP):				<u>(1,588,003)</u>	
Last State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				<u>\$ 50,508,836</u>	

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 539,522	\$ 539,522	\$ 492,226	\$ (47,296)
State Sources	\$ 155,822	270,132	425,954	257,466	(168,488)
Federal Sources	1,402,772	2,909,476	4,312,248	2,931,568	(1,380,680)
Total Revenues	1,558,594	3,719,130	5,277,724	3,681,260	(1,596,464)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	218,207	294,675	512,882	422,611	90,271
Purchased Professional and Technical Services	35,509	164,644	200,153	160,689	39,464
Other Purchased Services	1,089,662	379,967	1,469,629	1,360,650	108,979
General Supplies	31,242	108,338	139,580	83,047	56,533
Other Objects	1,109	(1,109)			
Total Instruction	1,375,729	946,515	2,322,244	2,026,997	295,247
Support Services:					
Salaries of Other Professional Staff	17,657	641,813	659,470	40,430	619,040
Personal Services - Employee Benefits	30,745	38,698	69,443	63,840	5,603
Purchased Professional and Technical Services	30,410	596,140	626,550	578,685	47,865
Purchased Professional and Educational Services	33,958	78,667	112,625	94,262	18,363
Other Purchased Services		418,302	418,302	188,247	230,055
Travel	1,700	29,854	31,554	6,664	24,890
Supplies and Materials	55,484	485,560	541,044	188,678	352,366
Other Objects	12,911	(12,911)			
Student Activities		485,706	485,706	423,029	62,677
Scholarship		4,900	4,900	4,900	
Total Support Services	182,865	2,766,729	2,949,594	1,588,735	1,360,859

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Instructional Equipment	5,871	5,871	5,871	5,871	5,871
Total Facilities Acquisition and Construction Services	5,886	5,886	5,886	5,871	15
Total Expenditures	<u>\$ 1,558,594</u>	<u>\$ 3,719,130</u>	<u>\$ 5,277,724</u>	<u>\$ 3,621,603</u>	<u>\$ 1,656,121</u>
Excess of Revenue Under Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 59,657</u>	<u>\$ 59,657</u>

FAIR LAWN PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	\$ 145,170,506	\$ 3,681,260
Difference - Budgetary to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	1,076,051	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,588,003)	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 144,658,554	\$ 3,681,260
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 137,517,936	\$ 3,621,603
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 137,517,936	\$ 3,621,603

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, 2023 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, 2023

	Elementary and Secondary Education Act				I.D.E.A.			
	Title I	Title IIA	Title III	Title IV FY22/FY23	Part B, Basic	Preschool	ARP Part B, Basic	ARP Preschool
REVENUES:								
Local Sources								
State Sources								
Federal Sources	\$ 231,996	\$ 124,030	\$ 38,952	\$ 39,422	\$ 1,326,656	\$ 45,928	\$ 2,676	\$ 6,304
Total Revenues	231,996	124,030	38,952	39,422	1,326,656	45,928	2,676	6,304
EXPENDITURES:								
Instruction:								
Salaries of Teachers	214,454	63,068	30,663	15,000				
Purchased Professional and Technical Services					1,308,418	45,928		6,304
Other Purchased Services								
General Supplies	1,136			5,792				
Total Instruction	215,590	63,068	30,663	20,792	1,308,418	45,928		6,304
Support Services:								
Salaries of Other Professional Staff		3,045	2,854					
Personal Services - Employee Benefits	16,406	33,475	2,564					
Purchased Professional and Technical Services		23,942		16,637	18,238		2,676	
Purchased Professional and Educational Services								
Other Purchased Services								
Travel		500	2,871	1,993				
Supplies and Materials								
Student Activities								
Scholarship								
Total Support Services	16,406	60,962	8,289	18,630	18,238		2,676	
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Total Facilities Acquisition and Construction Services								
Total Expenditures	\$ 231,996	\$ 124,030	\$ 38,952	\$ 39,422	\$ 1,326,656	\$ 45,928	\$ 2,676	\$ 6,304

FAIR LAWN PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

REVENUES:	Examination and Classification	Nonpublic Handicapped Services			Nonpublic Technical Initiative	Nonpublic Nursing	Nonpublic Security
		Supplementary Instruction	Corrective Speech	Textbooks			
Local Sources	\$ 34,419	\$ 34,527	\$ 19,716	\$ 15,295	\$ 16,133	\$ 41,384	\$ 89,333
State Sources							
Federal Sources							
Total Revenues	34,419	34,527	19,716	15,295	16,133	41,384	89,333
EXPENDITURES:							
Instruction:							
Salaries of Teachers					21,099		
Purchased Professional and Technical Services							
Other Purchased Services				15,295	16,133		
General Supplies							
Total Instruction				15,295	16,133	41,384	
Support Services:							
Salaries of Program Directors							
Personal Services - Employee Benefits							89,333
Purchased Professional and Technical Services							
Purchased Professional and Educational Services							
Other Purchased Services	34,419	34,527	19,716				
Travel							
Supplies and Materials							
Student Activities							
Scholarship							
Total Support Services	34,419	34,527	19,716				89,333
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Total Facilities Acquisition and Construction Services							
Total Expenditures	\$ 34,419	\$ 34,527	\$ 19,716	\$ 15,295	\$ 16,133	\$ 41,384	\$ 89,333

FAIR LAWN PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Education Stabilization Fund						
	CARES			CRRSA		ARP	
	Emergency Relief	ESSER II	Learning Acceleration	ESSER III	Accelerated Learning Coach and Educator Support	Evidence Based Summer Learning and Enrichment	NJTSS Mental and Support Staffing
REVENUES:							
Local Sources							
State Sources							
Federal Sources	\$ 382	\$ 231,432	\$ 11,600	\$ 363,714	\$ 302,517	\$ 7,240	\$ 37,700
Total Revenues	382	231,432	11,600	363,714	302,517	7,240	37,700
EXPENDITURES:							
Instruction:							
Salaries of Teachers		114,426					
Purchased Professional and Technical Services			3,600	113,750		7,240	
Other Purchased Services		12,349					
General Supplies							
Total Instruction		126,775	3,600	113,750		7,240	
Support Services:							
Salaries of Other Professional Staff					28,820		
Personal Services - Employee Benefits		8,753			2,205		
Purchased Professional and Technical Services			8,000	200,000	271,492		37,700
Purchased Professional and Educational Services							
Other Purchased Services				49,964			
Travel							
Supplies and Materials	382	95,904					
Student Activities							
Scholarship							
Total Support Services	382	104,657	8,000	249,964	302,517		37,700
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Total Facilities Acquisition and Construction Services							
Total Expenditures	\$ 382	\$ 231,432	\$ 11,600	\$ 363,714	\$ 302,517	\$ 7,240	\$ 37,700

FAIR LAWN PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ACRSERS Aid	Perkins Secondary Application	ARP Homeless Children and Youth	Climate Awareness Education	Student Activities	Scholarship	Local Donations	Totals
REVENUES:								
Local Sources					\$ 485,706	\$ 1,880	\$ 4,640	\$ 492,226
State Sources	\$ 115,283	\$ 14,588	\$ 31,148	\$ 6,659				257,466
Federal Sources					485,706	1,880	4,640	2,931,568
Total Revenue	115,283	14,588	31,148	6,659	485,706	1,880	4,640	3,681,260
EXPENDITURES:								
Instruction:								
Salaries of Teachers								422,611
Purchased Professional and Technical Services								160,689
Other Purchased Services								1,360,650
General Supplies		7,417					4,640	83,047
Total Instruction		7,417					4,640	2,026,997
Support Services:								
Salaries of Other Professional Staff								40,430
Personal Services - Employee Benefits			5,711					63,840
Purchased Professional and Technical Services			437					578,685
Purchased Professional and Educational Services				5,600				94,262
Other Purchased Services	115,283		23,000					188,247
Travel		1,300						6,664
Supplies and Materials			2,000	1,059				188,678
Student Activities					423,029			423,029
Scholarship						4,900		4,900
Total Support Services	115,283	1,300	31,148	6,659	423,029	4,900		1,588,735
Facilities Acquisition and Construction Services:								
Instructional Equipment		5,871						5,871
Total Facilities Acquisition and Construction Services		5,871						5,871
Total Expenditures	\$ 115,283	\$ 14,588	\$ 31,148	\$ 6,659	\$ 423,029	\$ 4,900	\$ 4,640	\$ 3,621,603

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, 2023

Revenue and Other Financing Sources:	
Interest on Investments	\$ 7,586
Total Revenue and Other Financing Sources	<u>7,586</u>
Expenditures and Other Financing Uses:	
Transfer Out to Debt Service Fund:	
Interest on Investments	7,586
Unexpended Balance	<u>237,299</u>
Total Expenditures and Other Financing Uses	<u>244,885</u>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(237,299)
Fund Balance - Beginning of Year	<u>401,865</u>
Fund Balance - End of Year	<u><u>\$ 164,566</u></u>
<u>Recapitulation:</u>	
Restricted	<u>\$ 164,566</u>
Total Fund Balance - Budgetary/GAAP Basis	<u><u>\$ 164,566</u></u>

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, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
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	<u>12,400,656</u>		<u>12,400,656</u>	<u>12,400,656</u>
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	<u>11,688,757</u>		<u>11,688,757</u>	<u>12,400,656</u>
Other Financing Uses:				
Operating Transfer - Debt Service Fund	(474,600)	\$ (237,299)	(711,899)	
Excess of Revenue Over Expenditures and Other Financing Uses	<u>\$ 237,299</u>	<u>\$ (237,299)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	12/9/14
Bonds Authorized	\$ 10,677,986
Bonds Issued	\$ 10,647,000
Original Authorized Cost	\$ 12,871,000
SDA Grants Cancelled	(469,358)
Revised Authorized Cost	<u>\$ 12,401,642</u>
Percentage Decrease over Original Authorized Cost	-9.19%
Percentage Completion	100.00%
Original Target Completion Date	11/16/16
Revised Target Completion Date	11/16/16

FAIR LAWN PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
HIGH SCHOOL AUDITORIUM HVAC SYSTEM & RENOVATIONS AND ADDITIONS TO MIDDLE SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 25,000,000		\$ 25,000,000	\$ 25,000,000
Total Revenue and Other Financing Sources	25,000,000		25,000,000	25,000,000
Expenditures and Other Financing Uses:				
Legal Services/Bonding Fees	154,237		154,237	155,000
Purchased Professional and Technical Services	2,493,881		2,493,881	2,641,399
Construction Services	21,821,771		21,821,771	21,822,146
Other Objects	365,545		365,545	381,455
Total Expenditures	24,835,434		24,835,434	25,000,000
Excess of Revenue Over Expenditures	\$ 164,566	\$ -0-	\$ 164,566	\$ -0-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	3/13/18
Bonds Authorized	\$ 25,000,000
Bonds Issued	\$ 25,000,000
Original Authorized Cost	\$ 25,000,000
Revised Authorized Cost	\$ 25,000,000
Percentage Completion	99.34%
Original Target Completion Date	10/1/19
Revised Target Completion Date	6/30/23

PROPRIETARY FUNDS

FAIR LAWN PUBLIC SCHOOLS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 4,018,011
Intergovernmental Accounts Receivable:	
State	1,786
Federal	35,801
Other Accounts Receivable	<u>29,793</u>
Total Current Assets	<u>4,085,391</u>
Non-Current Assets:	
Capital Assets	1,030,219
Less: Accumulated Depreciation	<u>(562,765)</u>
Total Non-Current Assets	<u>467,454</u>
Total Assets	<u>4,552,845</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	103,488
Unearned Revenue - Prepaid Sales	84,702
Unearned Revenue - Supply Chain Assistance	<u>250,299</u>
Total Current Liabilities	<u>438,489</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	467,454
Unrestricted	<u>3,646,902</u>
Total Net Position	<u>\$ 4,114,356</u>

FAIR LAWN PUBLIC SCHOOLS
PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 855,452
Non-Reimbursable Programs	358,134
Other Income	2,759
	<hr/>
Total Operating Revenue	1,216,345
	<hr/>
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	1,191,111
Purchased Services (Including Fixed Price Contract)	2,879,670
Other Purchased Services	43,211
Supplies, Insurance and Other Costs	65,647
Miscellaneous Expenses	284
Depreciation Expense	49,426
	<hr/>
Total Operating Expenses	4,229,349
	<hr/>
Operating Loss	(3,013,004)
	<hr/>
Non-Operating Revenue:	
Local Sources:	
Interest Income	16,076
State Sources:	
State School Breakfast Program	273
State School Lunch Program	60,711
COVID-19 Seamless Summer Option	103,333
Federal Sources:	
School Breakfast Program	1,353,224
National School Lunch Program	2,823,244
Food Distribution Program	23,283
	<hr/>
Total Non-Operating Revenue	4,380,144
	<hr/>
Change in Net Position	1,367,140
	<hr/>
Net Position - Beginning of Year	2,747,216
	<hr/>
Net Position - End of Year	\$ 4,114,356
	<hr/> <hr/>

FAIR LAWN PUBLIC SCHOOLS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

	Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 1,224,518
Payments to Food Service Contractor	(4,047,498)
Payments for Suppliers	(8,826)
	(2,831,806)
Net Cash Used for Operating Activities	
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(83,351)
	(83,351)
Net Cash Used for Capital and Related Financing Activities	
Cash Flows from Investing Activities:	
Interest Income	16,076
	16,076
Net Cash Provided by Investing Activities	
Cash Flows from Noncapital Financing Activities:	
State Sources Collected in Food Service Fund	166,246
Federal Sources Collected in Food Service Fund	4,591,371
	4,757,617
Net Cash Provided by Noncapital Financing Activities	
Net Increase in Cash and Cash Equivalents	1,858,536
Cash and Cash Equivalents, July 1	2,159,475
Cash and Cash Equivalents, June 30	\$ 4,018,011
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities	
Operating Loss	\$ (3,013,004)
Adjustment to Reconcile Operating Loss to Net Cash	
Used for Operating Activities	
Depreciation	49,426
Food Distribution Program	23,283
Changes in Assets and Liabilities:	
Increase in Unearned Revenue - Prepaid Sales	32,774
(Decrease) in Unearned Revenue - Donated Commodities	(2,062)
Increase in Accounts Payable	98,254
(Increase) in Other Accounts Receivable	(22,539)
Decrease in Inventory	2,062
	(2,831,806)
Net Cash Used for Operating Activities	\$ (2,831,806)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$21,221 and utilized U.S.D.A. Commodities valued at \$23,283.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance July 1, 2022	Matured	Balance June 30, 2023
			Date	Amount	June 30, 2023				
Refunding Bonds - 2014	11/19/2013	\$ 9,950,000				\$ 720,000	\$ 720,000		
Various Improvements	4/21/2016	10,677,000				480,000	480,000		
Various Improvements	1/16/2019	25,000,000	09/01/23	\$ 750,000	3.125%	23,645,000	720,000	\$ 22,925,000	
			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	03/01/24	1,840,000	0.675%	16,195,000	645,000	15,550,000	
			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%				
						\$ 41,040,000	\$ 2,565,000	\$ 38,475,000	

FAIR LAWN PUBLIC SCHOOLS
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

FAIR LAWN PUBLIC SCHOOLS
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

FAIR LAWN PUBLIC SCHOOLS
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Final to Actual
REVENUES:				
Local Sources:				
Local Tax Levy	\$ 2,600,812	\$ 2,600,812	\$ 2,600,812	
State Sources:				
Debt Service Aid Type II	265,528	265,528	265,528	
Total Revenues	<u>2,866,340</u>	<u>2,866,340</u>	<u>2,866,340</u>	
EXPENDITURES:				
Regular Debt Service:				
Interest	1,028,600	1,028,600	1,028,600	
Redemption of Principal	2,565,000	2,565,000	2,565,000	
Total Regular Debt Service	<u>3,593,600</u>	<u>3,593,600</u>	<u>3,593,600</u>	
Total Expenditures	<u>3,593,600</u>	<u>3,593,600</u>	<u>3,593,600</u>	
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(727,260)	(727,260)	(727,260)	
Other Financing Sources/(Uses):				
Capital Projects Fund - Unexpended Capital Projects Balance			237,299	\$ 237,299
Capital Projects Fund - Interest Earned			7,586	7,586
Transfer from General Fund - Capital Reserve	478,762	478,762	478,762	
Total Other Financing Sources/(Uses)	<u>478,762</u>	<u>478,762</u>	<u>723,647</u>	<u>244,885</u>
Excess/(Deficit) of Revenues and Other Financing Sources/(Uses) Over/(Under) Expenditures and Other Financing Uses	(248,498)	(248,498)	(3,613)	244,885
Fund Balance, July 1	499,047	499,047	499,047	
Fund Balance, June 30	<u>\$ 250,549</u>	<u>\$ 250,549</u>	<u>\$ 495,434</u>	<u>\$ 244,885</u>
Recapitulation:				
Restricted for Subsequent Year's Expenditures			\$ 250,549	
Restricted			<u>244,885</u>	
			<u>\$ 495,434</u>	

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 35,248,127
Restricted	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	45,299,866
Unrestricted/(Deficit)	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)	(16,933,204)
Total Governmental Activities Net Position	\$ 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	\$ 63,614,789
Business-type Activities										
Investment in Capital Assets	\$ 53,235	\$ 45,882	\$ 38,523	\$ 82,056	\$ 102,221	\$ 89,842	\$ 358,185	\$ 396,445	\$ 433,529	\$ 467,454
Unrestricted	62,190	110,347	127,725	135,890	128,066	140,735	155,776	743,312	2,313,687	3,646,902
Total Business-type Activities Net Position	\$ 115,425	\$ 156,229	\$ 166,248	\$ 217,946	\$ 230,287	\$ 230,577	\$ 513,961	\$ 1,139,757	\$ 2,747,216	\$ 4,114,356
District-wide										
Net Investment in Capital Assets	\$ 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	\$ 35,715,581
Restricted	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	45,299,866
Unrestricted/(Deficit)	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)	(13,286,302)
Total District Net Position	\$ 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	\$ 67,729,145

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 49,269,029
Special Education	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	17,174,905
Other Instr/Other Special Instr/School Sponsored	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	5,565,332
Support Services:										
Tuition	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	5,308,183
Student & Instruction Related Services	12,610,392	12,827,767	13,758,505	15,119,459	15,131,415	19,071,032	17,387,288	14,746,055	15,102,661	16,656,891
School Administrative Services	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	3,039,054
General Administrative Services	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	4,779,390
Central Services								1,947,107	1,832,331	1,712,196
Administrative Information Technology								1,357,532	1,608,712	1,653,991
Plant Operations and Maintenance	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	10,644,300
Pupil Transportation	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	4,921,689
Special Schools	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	1,682,766
Charter Schools	61,582	73,101	68,124	47,813	35,860	39,057	70,538	107,676	109,989	33,725
SDA Debt Service Assessment	77,256	77,256	77,256	77,256	77,256	77,256	77,256	77,256	77,256	77,256
Interest on Long-term Debt	582,168	735,627	903,555	871,099	834,542	1,108,332	1,580,028	1,487,149	1,115,348	1,072,138
Total Governmental Activities Expenses	\$ 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	\$ 123,590,845
Business-type Activities:										
Food Service	\$ 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	\$ 4,229,349
Total Business-type Activities Expense	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	4,229,349
Total District Expenses	\$ 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	\$ 127,820,194
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition	\$ 42,416	\$ 45,164	\$ 42,578	\$ 41,784	\$ 47,823	\$ 50,027	\$ 38,799	\$ 313,730	\$ 214,634	\$ 453,558
Student & Instruction Related Services	1,609,023	1,685,142	1,819,694	1,991,471	2,187,782	2,499,782	1,841,004	95,944	380,937	487,586
Pupil Transportation	582,168	735,627	903,556	871,099	796,196	1,069,596	1,405,364	88,813	81,740	88,813
Special Schools	13,236,609	12,911,838	13,148,767	13,474,730	13,192,383	37,204,406	33,525,538	33,517,526	1,226,334	2,340,762
Interest on Long Term Debt										
Operating Grants and Contributions	15,470,216	15,377,771	15,914,595	16,379,084	16,224,184	40,823,811	36,810,705	33,155,086	33,085,500	26,240,937
Total Governmental Activities Program Revenues	\$ 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	\$ 29,611,656
Business-type Activities:										
Charges for Services:										
Food Service	\$ 854,358	\$ 938,009	\$ 891,362	\$ 926,787	\$ 966,603	\$ 1,089,577	\$ 685,145	\$ 12,603	\$ 257,955	\$ 1,216,345
Operating Grants and Contributions - Food Service	312,540	282,864	337,110	316,935	328,432	361,944	408,263	4,472,777	6,043,675	4,364,068
Total Business-type Activities Program Revenues	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	5,580,413
Total District Program Revenues	\$ 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	\$ 35,192,069

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue:										
Governmental Activities	\$ (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)	\$ (93,979,189)
Business-type Activities	1,646	40,648	9,857	51,530	11,903	(1,962)	11,660	544,509	1,603,454	1,351,064
Total District-wide Net Expense	\$ (76,701,006)	\$ (77,633,964)	\$ (79,244,081)	\$ (84,550,773)	\$ (85,561,059)	\$ (85,872,858)	\$ (86,037,850)	\$ (87,993,030)	\$ (89,217,051)	\$ (92,628,125)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 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	\$ 94,644,551
Taxes Levied for Debt Service	742,865	258,354	686,140	691,363	773,154	(100,636)	953,980	2,736,035	2,600,812	2,600,812
Unrestricted Grants and Contributions	289,687	495,180	411,673	553,755	967,762	1,164,308	1,872,513	2,788,269	6,608,547	12,083,024
Tuition	515,498	392,162	433,008	300,271	300,763					
Investment Earnings	22,586	54,880	122,177	90,352	300,133	752,161	848,216	193,246	57,173	103,268
Miscellaneous Income	135,971	207,074	267,401	175,425	172,058	174,740	405,216	489,728	1,164,488	2,224,091
New Jersey Economic Development Authority Grant		3,260,394								
Adjustment to Capital Assets	(1,046,342)		2,985,343							
Bond Refunding Proceeds	410,000									
Transfers	(30,850)									
Transfer - Capital Contributions										
Total Governmental Activities	76,863,328	82,556,935	84,425,569	83,579,909	88,762,794	91,308,607	95,130,941	98,916,064	103,219,795	111,655,746
Business-type Activities:										
Investment Earnings	\$ 134	\$ 156	\$ 163	\$ 167	\$ 439	\$ 2,252	\$ 2,351	\$ 1,298	\$ 4,005	\$ 16,076
Transfers	30,850									
Transfer - Capital Contributions										
Total Business-type Activities	30,984	156	163	167	439	2,252	2,351	79,989	4,005	16,076
Total District-wide	\$ 76,894,312	\$ 82,557,091	\$ 84,425,732	\$ 83,580,076	\$ 88,763,233	\$ 91,310,859	\$ 95,133,292	\$ 98,997,351	\$ 103,223,800	\$ 111,671,822
Change in Net Position										
Governmental Activities	\$ 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	\$ 17,676,557
Business-type Activities	32,630	40,804	10,020	51,697	12,342	290	14,011	625,796	1,607,459	1,367,140
Total District	\$ 193,306	\$ 4,923,127	\$ 5,181,651	\$ (970,697)	\$ 3,202,174	\$ 5,438,001	\$ 9,095,442	\$ 11,004,321	\$ 14,006,749	\$ 19,043,697

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 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	\$ 44,155,656
Assigned	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	3,228,241
Unassigned	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	3,124,939
Total General Fund	\$ 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	\$ 50,508,836
All Other Governmental Funds										
Restricted	\$ 120,137	\$ 5,047,607	\$ 2,209,965	\$ 1,896,777	\$ 1,766,869	\$ 2,520,953	\$ (1,782,850)	\$ 1,563,384	\$ 1,325,465	\$ 1,144,210
Assigned		9,545,510	4,699,194	321,447	189,727	21,275,335	3,108,315			
Total All Other Governmental Funds	\$ 120,137	\$ 14,593,117	\$ 6,909,159	\$ 2,218,224	\$ 1,956,596	\$ 23,796,288	\$ 1,325,465	\$ 1,563,384	\$ 1,325,465	\$ 1,144,210
Total Governmental Funds	\$ 10,742,052	\$ 25,109,578	\$ 20,669,163	\$ 16,633,778	\$ 19,781,272	\$ 47,379,019	\$ 33,871,220	\$ 39,373,383	\$ 45,172,445	\$ 51,653,046

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 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	\$ 97,245,363
Tuition Charges	515,498	392,162	433,009	300,271	300,763	340,933	329,482	313,730	214,634	453,558
Transportation Fees from LEAs	42,417	45,164	42,578	41,784	47,823	50,028	38,798	81,740	81,740	88,813
Interest Earnings	22,586	54,880	122,177	90,352	300,133	752,160	848,216	47,524	54,459	103,268
Miscellaneous	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	5,057,079
State Sources	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	45,246,884
Federal Sources	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	3,018,775
Total Revenue	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	151,213,740
Expenditures										
Instruction										
Regular Instruction	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	33,895,115
Special Education Instruction	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	13,090,177
Other Special Instruction	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	4,181,199
Support Services:										
Tuition	4,774,496	5,261,422		5,335,118	5,541,479	5,315,138	5,536,028	6,587,564	6,466,431	5,308,183
Student & Other Instruction Related Services	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	14,686,920
School Administrative Services	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	4,588,721
General Administrative Services	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	848,695
Central Services								1,612,770	1,627,130	1,422,705
Administrative Information Technology								1,214,761	1,510,895	1,506,460
Plant Operations and Maintenance	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	9,924,088
Student Transportation	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	4,390,659
Unallocated Benefits	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	39,143,328
Special Schools	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	1,682,766
Transfer of Funds to Charter School	61,582	73,101	68,124	47,813	35,860	39,057	70,538	107,676	109,989	33,725
Capital Outlay	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	6,436,798
Debt Service:										
Principal	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	2,565,000
Interest and Other Charges	627,080	648,856	914,957	882,865	850,577	806,928	1,645,680	1,513,865	1,270,078	1,028,600
Total Expenditures	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	144,733,139
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(202,489)	433,132	693,875	(4,103,481)	3,147,495	2,753,135	(11,101,912)	1,777,720	5,799,062	6,480,601

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing Sources/(Uses)										
N.J.S.D.A. Grants		\$ 3,260,394				\$ (469,358)	\$ (249,248)			
Capital Leases (non-budgeted)				\$ 68,095		243,970	407,820			
Serial Bond Proceeds		10,677,000				25,000,000			\$ 16,360,000	
Refunding Bonds Issued									(15,522,000)	
Serial Bonds Defeased									(162,876)	
Bond Issuance Costs									(675,124)	
Deferred Amount on Refunding									840,014	\$ 723,647
Transfers In	\$ 600,000	2,110,993	\$ 527,883	608,098	\$ 611,671	1,375,088	984,665	\$ 848,498		
Transfers Out	(630,850)	(2,110,993)	(527,883)	(608,098)	(611,671)	(1,375,088)	(984,665)	(848,498)		(723,647)
Capital Contributions - Food Service Fund										
Total Other Financing Sources/(Uses)	(30,850)	13,937,394		68,095		24,774,612	158,572	(79,989)		
Net Change in Fund Balances	\$ (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	\$ 6,480,601
Debt Service as a Percentage of Noncapital Expenditures	2.01%	1.65%	2.46%	2.31%	2.23%	2.01%	2.77%	3.11%	2.78%	2.60%

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								
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	\$ 373,587		1,032,812	
2022	174,673	214,634	81,740	1,836,313			297,694	129,781		2,734,835	
2023	1,682,364	453,558	88,813	2,363,545			78,508	536,118		5,202,906	

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)
2013	\$ 25,218,000	\$ 3,305,772,100	\$ 465,894,300	\$ 205,422,700	\$ 135,290,800	\$ 4,137,597,900	917	\$ 4,137,598,817	\$	\$ 4,540,063,262
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		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		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		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		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		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		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		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		5,441,564,826
2022	21,011,500	3,457,990,400	489,502,300	204,120,100	142,491,000	4,315,115,300	760	4,315,116,060		5,709,850,905

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	Debt Service ^b	Total Direct	Municipality	County	
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
2022	2.254	0.060	2.314	0.902	0.319	3.535

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	2022		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Fair Lawn Promenade, LLC	\$ 51,573,600	1	1.20%
Fair Lawn Estates Assoc. LLC	44,202,700	2	1.02%
Fair Lawn Associates c/o Affiliated Management	34,589,000	3	0.80%
CLPF Greek Fair Lawmn, LLC	29,319,600	4	0.68%
Columbia Savings Bank	21,957,100	5	0.51%
Bon-Marc Realty	17,964,400	6	0.42%
H'Y2 Route 208 LLC	17,594,400	7	0.41%
SL 20-21 Wagaraw Rd I & II LLC	17,044,300	8	0.39%
Pictor Fair Lawn Logistics Center	16,500,000	9	0.38%
Oster Fair Lawn Properties LLC	12,873,100	10	0.30%
Total	\$ 263,618,200		6.11%

Taxpayer	2013		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Fair Lawn Estates Assoc.	\$ 44,202,700	1	1.07%
Fair Lawn Associates c/o Affiliated Management	34,589,000	2	0.84%
Nabisco c/o Kraft Foods, Inc.	29,319,600	3	0.71%
Columbia Savings Bank	21,968,800	4	0.53%
Bon Marc Realty Co., LLC	20,256,000	5	0.49%
17-17 Realty Associates	19,822,900	6	0.48%
Fair Lawn Industries, LP	18,329,600	7	0.44%
CK Bergen Holdings, LLC	14,245,800	8	0.34%
Noble I/HY Fair Lawn, LLC	13,200,500	9	0.32%
Oster Fair Lawn Properties, LLC	13,076,900	10	0.32%
	\$ 229,011,800		5.53%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 77,148,946	\$ 77,148,946	100.00%	\$ -0-
2015	78,882,872	78,882,872	100.00%	-0-
2016	81,109,522	81,109,522	100.00%	-0-
2017	83,331,205	83,331,205	100.00%	-0-
2018	87,818,274	87,818,274	100.00%	-0-
2019	90,286,995	90,286,995	100.00%	-0-
2020	93,410,361	93,410,361	100.00%	-0-
2021	95,524,810	95,524,810	100.00%	-0-
2022	95,389,587	95,389,587	100.00%	-0-
2023	97,245,363	97,245,363	100.00%	-0-

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	Financed Purchase Agreements	Bond Anticipation Notes (BANs)	Business-Type Activities	Financed Purchase Agreements			
2014	\$ 17,065,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	0.72%	\$ 519.59	
2015	26,867,000	-0-	-0-	-0-	-0-	-0-	1.10%	816.87	
2016	25,602,000	-0-	-0-	-0-	-0-	-0-	1.00%	773.80	
2017	24,237,000	-0-	68,095	-0-	-0-	-0-	0.93%	735.49	
2018	22,852,000	-0-	54,476	-0-	-0-	-0-	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	1.20%	1,167.27	
2023	38,475,000	-0-	-0-	-0-	-0-	38,475,000	1.12%	1,090.59	

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		
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
2023	38,475,000	-0-	38,475,000	0.89%	1,090.59

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, 2022
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	\$ 40,912,325	100.000%	\$ 40,912,325
Bergen County General Obligation Debt	977,925,631	2.719%	<u>26,593,295</u>
Subtotal, Overlapping Debt			67,505,620
Fair Lawn Public Schools Direct Debt			<u>40,320,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 107,825,620</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 2023									
		Fiscal Year Ended June 30,									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit		\$ 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	\$ 229,182,867
Total Net Debt Applicable to Limit		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	38,475,000
Legal Debt Margin		\$ 166,116,602	\$ 151,441,013	\$ 153,898,688	\$ 159,700,189	\$ 168,067,954	\$ 151,157,779	\$ 159,085,271	\$ 166,603,896	\$ 175,323,563	\$ 190,707,867
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit		9.32%	15.07%	14.26%	13.18%	11.97%	23.49%	22.02%	20.39%	18.97%	16.79%

		Equalized valuation basis		
		2022	2021	2020
	\$	6,173,269,385	5,625,309,019	5,390,136,611
	\$	17,188,715,015		

Average Equalized Valuation of Taxable Property
\$ 5,729,571,672

Debt Limit (4% of average equalization value)
Net Bonded School Debt
Legal Debt Margin
\$ 229,182,867
38,475,000
\$ 190,707,867

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
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	3,422,482,537	97,343	5.80%
2022	35,279	3,434,163,697 ***	97,343 *	3.20%
2023	35,279 **	3,434,163,697 ***	97,343 *	N/A

* - Latest Bergen County per capita personal income available (2021) was used for calculation purposes.

** - Latest population data available (2022) was used for calculation purposes.

*** - Latest available population data (2022) and latest available Bergen County per capita personal income (2021) 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	2022		
	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	2013		
	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>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>	<u>2023</u>
Instruction										
Regular	304	328	357	359	302	303	314	327	353	359
Special education	97	110	122	123	102	133	113	149	175	176
Other instruction	20	20	20	20	35	41	43	43	34	30
Support Services:										
Student & instruction related services	12	12	12	12	111	137	233	129	133	133
School administrative services	68	68	68	68	37	38	38	37	35	35
General administrative services	45	45	45	45	14	13	2	3	2	2
Central Services	5	5	5	5	4	4	15	15	14	14
Administrative information technology	6	6	6	6	11	13	15	14	10	10
Plant operations and maintenance	39	34	32	31	42	41	39	28	31	26
Pupil transportation	5	5	5	5	18	23	18	8	33	33
Special Schools					21	11	8	8	3	3
Total	601	633	672	674	697	757	838	761	823	821

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 ^e	Middle School ^e	Senior High School				
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%
2023	5,482	134,702,741	24,572	-0.41%	475	11.01	11.08	12.94	5,499.5	5,209.2	-3.13%	94.72%

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 Schools are PreK through 4th grades and the Middle Schools are 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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Elementary Schools</u>										
Henry B Milnes (1951)										
Square Feet	42,907	42,907	47,880	47,880	47,880	47,880	47,880	47,020	47,020	47,020
Capacity	395	395	395	395	395	395	395	414	414	414
Enrollment	417	428	453	501	477	500	520	419	421	429
John A Forrest										
Square Feet	40,013	40,013	46,400	46,400	46,400	46,400	46,400	42,515	42,515	42,515
Capacity	286	286	286	286	286	286	286	291.6	291.6	291.6
Enrollment	298	277	270	292	286	286	324	260	266	272
Lyncrest (1952)										
Square Feet	24,793	24,793	27,937	27,937	27,937	27,937	27,937	27,811	27,811	27,811
Capacity	234	234	234	234	234	234	234	207	207	207
Enrollment	225	231	233	232	251	261	255	210	207	207
Radburn (1933)										
Square Feet	46,806	46,806	51,740	51,740	51,740	51,740	51,740	52,300	52,300	52,300
Capacity	351	351	351	351	351	351	351	351.9	351.9	351.9
Enrollment	435	448	457	480	457	455	460	350	358	392
Warren Point (1922)										
Square Feet	44,174	44,174	39,945	39,945	39,945	39,945	39,945	49,656	49,656	49,656
Capacity	466	466	466	466	466	466	466	399.6	399.6	399.6
Enrollment	394	405	416	427	461	471	489	410	404	393
Westmoreland (1958)										
Square Feet	24,971	24,971	29,517	46,068	46,068	46,068	46,068	46,345	46,345	46,345
Capacity	246	246	246	324 3	324	324	324	315	315	315
Enrollment	373	362	384	291	310	401	346	298	309	321

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Middle School</u>										
Thomas Jefferson School (1953)										
Square Feet	103,958	103,958	94,139	94,139	94,139	94,139	94,139	124,910	124,910	124,910
Capacity	662	662	662	662	662	662	662	1,039.2	1,039.2	1,039.2
Enrollment	640	661	680	707	724	737	751	1,037	1,068	1,140
Memorial Middle School (1958)										
Square Feet	78,323	78,323	94,560	94,560	94,560	94,560	94,560	105,081	105,081	105,081
Capacity	466	466	466	466	466	466	466	735	735	735
Enrollment	450	463	485	464	426	457	464	639	628	628
<u>High School</u>										
Fair Lawn High School (1943)										
Square Feet	244,339	244,339	243,066	243,066	243,066	243,066	243,066	250,402	250,402	250,402
Capacity	1,637	1,637	1,637	1,637	1,637	1,637	1,637	1,819	1,819	1,819
Enrollment	1,478	1,469	1,451	1,447	1,479	1,486	1,534	1,553	1,578	1,621
<u>Other</u>										
Edison School (1955)										
Square Feet	47,335	47,335	47,335	47,335	47,335	47,335	47,335	37,839	37,839	37,839
Capacity	9	9	9	9	9	9	9	96	96	96
Enrollment			85	70	67	70	73	66	68	79

Number of Schools at June 30, 2023
 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	Fair Lawn High School	Thomas Jefferson Middle School	Memorial Middle School	Henry B. Milnes	Westmoreland	Radburn	Warren Point	John A. Forrest	Lyncerest	Edison School
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
2023	1,571,106	527,030	201,891	179,340	103,275	99,367	111,601	86,160	100,083	60,259	102,100

* 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, 2023
UNAUDITED

	<u>Coverage</u>		<u>Deductible</u>
Utica National Insurance Group:			
School Package Policy:			
Blanket Building and Contents	\$ 260,140,577		\$ 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	3,000,000		
Bollinger Insurance Company:			
Student Accident Insurance	6,000,000		
Surety Bonds:			
Board Secretary/Business Administrator	475,000	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
Newton, NJ
Bridgewater, NJ

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Independent Member
BKR International

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 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.

December 15, 2023
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

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

Qualified and Unmodified Opinions

We have audited the Board of Education of the Fair Lawn Public Schools, in the County of Bergen (the "District") compliance with the types of compliance requirements identified as subject to audit 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 year ended June 30, 2023. 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.

Qualified Opinion on Extraordinary Special Education Costs Aid Major State Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Extraordinary Special Education Costs Aid major state program for the fiscal year ended June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal and State Programs

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and state programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2023.

Basis for Qualified and Unmodified Opinions

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* (NJOMB 15-08). Our responsibilities under those

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

standards, the Uniform Guidance and NJOMB 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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 qualified and unmodified opinions 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.

Matter Giving Rise to Qualified Opinion on Extraordinary Special Education Costs Aid Major State Program

As described in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with requirements regarding types of services allowed or unallowed for its Extraordinary Special Education Costs Aid as described in Finding 2023-001.

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

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.

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

- 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.

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

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Finding 2023-001, to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our compliance audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Honorable President and Members
of the Board of Education
Fair Lawn Public Schools
Page 4

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.

December 15, 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, 2023

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2022			Balance at June 30, 2023		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Budgetary Expenditures	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amounts Provided to Subrecipients
U.S. Department of Agriculture:										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
Food Distribution Program	10.555	N/A	7/1/22-6/30/23	\$ 21,221	\$	\$	21,221	\$	(21,221)	
Food Distribution Program	10.555	N/A	7/1/21-6/30/22	35,568			35,568		(2,062)	
National School Lunch Program	10.555	N/A	7/1/22-6/30/23	462,251		\$ 2,062	427,251	\$ (35,000)	(462,251)	
School Breakfast Program	10.553	N/A	7/1/22-6/30/23	9,440			8,639	(801)	(9,440)	
COVID 19 - Seamless Summer Option	10.555	N/A	7/1/21-6/30/22	9,591,185	\$ (200,405)		3,905,182		(3,704,777)	
COVID 19 - Supply Chain Assistance Award	10.555	N/A	7/1/22-6/30/23	250,299			250,299	\$ 250,299		
Total Child Nutrition Cluster					(200,405)	2,062	4,612,592	(35,801)	(4,199,751)	250,299
Total U.S. Department of Agriculture					(200,405)	2,062	4,612,592	(35,801)	(4,199,751)	250,299
U.S. Department of Education:										
Special Revenue Fund:										
Passed-through State Department of Education:										
Elementary and Secondary Education Act:										
Title I	84.010	ESEA145023	7/1/22-9/30/23	239,801			158,211	(73,785)	(231,996)	
Title I	84.010	ESEA145022	7/1/21-9/30/22	217,846	(35,648)		35,648	(73,785)	(231,996)	
Total Title I					(35,648)		193,859	(73,785)	(73,728)	
Title IIA	84.367	ESEA145023	7/1/22-9/30/23	158,640			50,302		(124,030)	
Title IIA	84.367	ESEA145022	7/1/21-9/30/22	144,013	(45,785)		45,785	(73,728)	(124,030)	
Total Title II					(45,785)		96,087	(73,728)	(38,952)	
Title III	84.365	ESEA145023	7/1/22-9/30/23	46,403			27,019		(11,933)	
Title III	84.365	ESEA145022	7/1/21-9/30/22	55,820	(12,183)		12,183	(11,933)	(38,952)	
Total Title III					(12,183)		39,202	(23,632)	(39,370)	
Title IV	84.424	ESEA145023	7/1/22-9/30/23	42,037			15,738		(23,632)	
Title IV	84.424	ESEA145022	7/1/21-9/30/22	25,940		52	15,738	(23,632)	(39,422)	
Total Title IV						52	15,738	(23,632)	(39,422)	
Total Elementary and Secondary Education Act					(93,616)	52	344,886	(183,078)	(434,400)	
Education Stabilization Fund:										
COVID-19 - CRRSA - Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	62,913	(32,600)		36,200	(8,000)	(11,600)	
COVID-19 - CRRSA - Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000	(4,300)		4,300			
COVID-19 - CRRSA - ESSER II	84.425D	S425D200027	3/13/20-9/30/23	980,337	(160,167)		93,685	(297,913)	(231,431)	
COVID-19 - ARP - ESSER III	84.425U	S425U210027	3/13/20-9/30/24	2,203,244	(1,328,702)		1,676,470	(15,947)	(363,715)	
COVID-19 - ARP - Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	468,461	(69,126)		369,439	(2,204)	(302,517)	
COVID-19 - ARP - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000			7,240		(7,240)	
COVID-19 - ARP - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(37,972)		37,972			
COVID-19 - ARP - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000			33,400	(4,300)	(37,700)	

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	Balance at June 30, 2022	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue			Budgetary Accounts Receivable	Budgetary Unearned Revenue
U.S. Department of Education: (Continued)										
Special Revenue Fund: (Continued)										
Passed-through State Department of Education: (Continued)										
Education Stabilization Fund:										
COVID-19 - CARES Emergency Relief	84.425D	N/A	3/13/20-9/30/22	\$ 238,675			\$ 382	\$ (382)		
COVID-19 - ARP - Homeless II	84.425W	N/A	4/23/21-9/30/24	32,779			2,000	(31,148)	\$ (29,148)	
Total Education Stabilization Fund							\$ (1,632,867)	(985,733)	(29,148)	
Special Education Cluster (IDEA):										
I.D.E.A. Part B, Basic	84.027	IDEA145023	7/1/22-9/30/23	1,337,896			1,224,854	(1,326,656)	(101,802)	
I.D.E.A. Preschool	84.173	IDEA145023	7/1/22-9/30/23	45,925			45,317	(45,928)	(611)	
COVID-19 - ARP - I.D.E.A. Part B, Basic	84.027X	N/A	7/1/21-9/30/22	238,426				(2,676)	(66,704)	
COVID-19 - ARP - I.D.E.A. Preschool	84.173X	N/A	7/1/21-9/30/22	20,338				(6,304)	(8,650)	
Total Special Education Cluster (IDEA)							(66,374)	(1,381,564)	(177,767)	
Carl D. Perkins - Secondary	84.048	PERK145023	7/1/22-6/30/23	15,249			11,193	(14,588)	(3,395)	
Carl D. Perkins - Secondary	84.048	PERK145022	7/1/21-6/30/22	14,617			7,823	(7,823)	(3,395)	
Total Even Start Family Literacy							19,016	(14,588)	(3,395)	
Total U.S. Department of Education							\$ 52	(2,816,285)	(393,388)	
U.S. Department of Treasury:										
Passed-through State Department of Education:										
Special Revenue Fund:										
ACSERS	21.027	N/A	7/1/22-6/30/23	123,595			57,642	(115,283)	(57,641)	
ACSERS	21.027	N/A	7/1/21-6/30/22	65,953			65,953	(115,283)	(57,641)	
Total U.S. Department of Treasury							123,595	(115,283)	(57,641)	
U.S. Department of Health and Human Services:										
Medicaid Cluster:										
Medicaid Assistance Program	93.778	N/A	7/1/22-6/30/23	82,544			82,544	(82,544)		
COVID 19- Family First Coronavirus Response Act	93.778	N/A	7/1/21-6/30/22	4,663			4,663	(4,663)	*	
Total U.S. Department of Health and Human Services/Total Medicaid Cluster							87,207	(87,207)		
Total Federal Awards							\$ 2,114	\$ (7,218,526)	\$ (486,830)	\$ -0-

(328,364)

* Expended in a Prior Year
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, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2023		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	23-495-034-5120-078	7/1/22-6/30/23	\$ 11,138,211			\$ 10,085,823	\$ (11,138,211)		\$ (1,052,388)	\$ 11,138,211		
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	840,898			761,446	(840,898)		(79,452)	840,898		
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	4,363,870			3,951,552	(4,363,870)		(412,318)	4,363,870		
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	464,041			420,196	(464,041)		(43,845)	464,041		
Lead Testing for Schools Aid	23-495-034-5120-104	7/1/22-6/30/23	10,946			10,946	(10,946)			10,946		
Extraordinary Special Education Costs Aid	23-495-034-5120-044	7/1/22-6/30/23	3,025,334			3,309,786	(3,025,334)		(3,025,334)	3,025,334		
Homeless Tuition Reimbursement	23-495-034-5120-005	7/1/22-6/30/23	626,181			626,181	(626,181)		(626,181)	626,181		
Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	156,458			156,458	(156,458)		(156,458)	156,458		
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	3,482,220			3,482,220	(3,482,220)		(172,434)	3,482,220		
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	6,048,853	\$ (555,475)		555,475				6,048,853		
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	77,221			77,221				77,221		
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	4,363,870	(400,741)		400,741				4,363,870		
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	464,041	(42,614)		42,614				464,041		
Extraordinary Special Education Costs Aid	22-495-034-5120-005	7/1/21-6/30/22	3,006,677	(3,006,677)		3,006,677				3,006,677		
Homeless Tuition Reimbursement	22-495-034-5120-084	7/1/21-6/30/22	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		
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	3,402,877	(166,545)		166,545				3,402,877		
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	4,394,120			4,394,120	(4,394,120)			4,394,120		
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	16,498,022			16,498,022	(16,498,022)			16,498,022		
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	228,891			228,891	(228,891)			228,891		
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	6,650			6,650	(6,650)			6,650		
Subtotal - General Fund				(4,464,036)		44,131,468	(45,235,842)		(3,980,407)	63,577,821		
Special Revenue Fund Aid:												
Nonpublic Auxiliary Services:												
Compensatory Education	23-100-034-5120-067	7/1/22-6/30/23	8,104			8,104						
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	4,479					\$ 1,971	\$ 8,104			2,508
Nonpublic Handicapped Services:												
Supplementary Instruction	23-100-034-5120-066	7/1/22-6/30/23	39,648			39,648	(34,527)			5,121		34,527
Supplementary Instruction	22-100-034-5120-066	7/1/21-6/30/22	26,432					1,508				24,924
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	23,250			23,250	(19,716)			3,534		19,716
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	4,185					2,818				1,367
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	36,023			36,023	(34,419)			1,604		34,419
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	63,307					7,438				55,869
N.J. Nonpublic Textbook Aid	23-100-034-5120-066	7/1/22-6/30/23	26,928			26,928	(15,295)			11,633		15,295
N.J. Nonpublic Textbook Aid	22-100-034-5120-066	7/1/21-6/30/22	21,367					86				21,281
N.J. Nonpublic Nursing Aid	23-100-034-5120-070	7/1/22-6/30/23	48,832			48,832	(41,384)			7,448		41,384
N.J. Nonpublic Nursing Aid	22-100-034-5120-070	7/1/21-6/30/22	41,776					6,270				35,506
N.J. Nonpublic Technology Initiative	23-100-034-5120-373	7/1/22-6/30/23	17,136			17,136	(16,133)			1,003		16,133
N.J. Nonpublic Technology Initiative	21-100-034-5120-373	7/1/21-6/30/23	14,952					180				14,772
N.J. Nonpublic Security Aid	23-100-034-5120-509	7/1/22-6/30/23	89,380			89,380	(89,333)			47		89,333
N.J. Nonpublic Security Aid	22-100-034-5120-509	7/1/21-6/30/22	65,275					140				65,135
Climate Awareness Education Grant	23-100-010-5120-023	7/1/22-6/30/23	6,660						(6,659)			6,659
Subtotal - Special Revenue Fund						289,301	(257,466)		(6,659)	38,494		478,828

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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:												
Debt Service Fund Aid:												
Debt Service Aid - State Support	23-100-034-5120-125	7/1/22-6/30/23	\$ 265,528			\$ 265,528	\$(265,528)					\$ 265,528
Subtotal - Debt Service Fund						265,528	(265,528)					265,528
Food Service Fund:												
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	60,711			58,945	(60,711)					60,711
COVID 19 - Seamless Summer Option	23-100-010-3350-023	7/1/22-6/30/23	103,333			103,333	(103,333)					103,333
COVID 19 - Seamless Summer Option	22-100-010-3350-023	7/1/21-6/30/22	107,435	\$ (3,715)		3,715						107,435
State School Breakfast Program	23-100-010-3350-021	7/1/22-6/30/23	273			253	(273)					273
Subtotal - Food Service Fund				(3,715)		166,246	(164,317)				(1,786)	271,752
Total State Department of Education				(4,467,751)	\$ 20,411	44,852,543	(45,923,153)	\$ 20,411	\$ (3,988,852)	\$ 38,494	\$(5,576,855)	64,593,929
Total State Awards				\$(4,467,751)	\$ 20,411	\$ 44,852,543	\$(45,923,153)	\$ 20,411	\$ (3,988,852)	\$ 38,494	\$(5,576,855)	\$ 64,593,929
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	(4,394,120)				\$ 4,394,120					
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	(16,498,022)				16,498,022					
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	(228,891)				228,891					
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	(6,650)				6,650					
Subtotal - On-Behalf TPAF Pension System Contributions							21,127,683					
Total State Awards Subject to Single Audit Major Program Determination							\$(24,795,470)					

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, 2023

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, 2023. 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 (\$511,952) 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, 2023

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 87,207	\$ 44,723,890	\$ 44,811,097
Special Revenue Fund	2,931,568	257,466	3,189,034
Debt Service Fund		265,528	265,528
Food Service Fund	<u>4,199,751</u>	<u>164,317</u>	<u>4,364,068</u>
Total Awards	<u>\$ 7,218,526</u>	<u>\$ 45,411,201</u>	<u>\$ 52,629,727</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, 2023.

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 was a significant deficiency in internal control over a major state program 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 New Jersey's OMB Circular 15-08* as Finding 2023-001. No material weaknesses were reported.
- The auditor's report on compliance for each major federal and state program for the District expresses a qualified opinion on the District's compliance for the Extraordinary Special Education Costs Aid state program and an unmodified opinion on each of the other major federal and state programs.
- Audit finding 2023-001 which is required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance is reported on this schedule.
- The District's programs tested as major federal programs for the current fiscal year consisted of the following:

	Assistance Listing Number	Grant Period	Award Amount	Budgetary Expenditures
<u>Federal:</u>				
Child Nutrition Cluster:				
Food Distribution Program	10.555	7/1/22-6/30/23	\$ 21,221	\$ 21,221
Food Distribution Program	10.555	7/1/21-6/30/22	35,568	2,062
National School Lunch Program	10.555	7/1/22-6/30/23	2,823,244	2,823,244
National School Breakfast Program	10.553	7/1/22-6/30/23	1,353,224	1,353,224
Education Stabilization Fund:				
COVID 19 - CARES Emergency Relief	84.425D	3/13/20-9/30/22	238,675	382
COVID 19 - CRRSA - Learning Acceleration	84.425D	3/13/20-9/30/23	62,913	11,600
ESSER II	84.425D	3/13/20-9/30/23	980,337	231,431
COVID 19 - ARP - ESSER III	84.425U	3/13/20-9/30/24	2,203,244	363,715
Accelerated Learning Coach and Educator Support	84.425U	3/13/20-9/30/24	484,461	302,517
Evidence Based Summer Learning and Enrichment	84.425U	3/13/20-9/30/24	40,000	7,240
Mental Health	84.425U	3/13/20-9/30/24	45,000	37,700

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Summary of Auditors' Results: (Cont'd)

- The District's programs tested as major state programs for the current fiscal year consisted of the following:

	State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
<u>State:</u>				
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	\$ 840,898	\$ 840,898
Extraordinary Special Education Costs Aid	23-495-034-5120-044	7/1/22-6/30/23	3,025,334	3,025,334
Reimbursed TPAF Social Security				

- 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:

Finding 2023-001: N.J. Department of Education – Extraordinary Special Education Costs Aid – Types of Services Allowed or Unallowed and Significant Deficiency

Program Title	State Grant Number	Grant Period	Award Amount	Budgetary Expenditures	Questioned Costs
Extraordinary Special Education Costs Aid	23-495-034-5120-044	7/1/22-6/30/23	\$ 3,025,334	\$ 3,025,334	\$ 27,895

Criteria:

The School Funding Reform Act of 2018 (SFRA) and N.J.S.A.18A:7F-55(c) requests a school district to file an application with the N.J. Department of Education for reimbursement of current year's expenses in which the actual cost of providing an education for an individual pupil, excluding transportation costs, exceeds a predetermined threshold within a single fiscal year. Extraordinary Aid is available for partial reimbursement of allowable/eligible costs incurred for individual classified pupils whose Individualized Education Plan (IEP) requires the provision of at least one intensive service. As per state regulations, the District must maintain workpapers and supporting cost documentation. Costs must be pro-rated if they are incurred for multiple students.

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Findings and Questioned Costs for State Awards: (Cont'd)

Finding 2023-001: N.J. Department of Education - Extraordinary Special Education Costs Aid –Types of Services Allowed or Unallowed and Significant Deficiency. (Cont'd)

Condition and Context:

During our review of the District's Extraordinary Aid (ExAid) application, we noted that the classroom and additional costs reported on the Extraordinary Aid application for 5 students were overreported. The salary utilized by the District for the personal aide for these students was in excess of either an average of all of the personal aides' salaries or the salary for the actual personal aide assigned to the students. This resulted in an excess amount claimed for the salary for a personal aide for these 5 students. Additionally, costs for certain other services provided were overstated including one on one nursing services and occupational, speech and physical therapy services while costs for certain other services provided were understated which resulted in a net overstatement of costs.

Effect:

The classroom and additional costs reported on the Extraordinary Aid application for 5 students were overreported.

Cause:

The District did not utilize either an average of all of the personal aides' salaries or the salary for the actual personal aide assigned to the students as the cost reported for the salary for the personal aide. Additionally, the documentation on file did not support certain other costs reported for additional services provided for one on one nursing services and occupational, speech and physical therapy services.

Recommendation:

It is recommended that the District utilize either an average of all of the personal aides' salaries or the salary for the actual personal aide assigned to the students as the cost reported for the salary for a personal aide. Additionally, every effort should be made to ensure that documentation is maintained on file to support the costs reported for certain other costs for additional services provided for one to one nursing services and occupational, speech and physical therapy services.

Management's Response:

Greater care will be taken in reporting the costs of personal aides' salaries and other service costs such as one to one nursing and occupational, speech and physical therapy services provided to students in the Extraordinary Aid application.

FAIR LAWN PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Status of Prior Year Findings:

The District had no prior year audit findings.