

FAIR LAWN PUBLIC SCHOOLS

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025**

**Annual Comprehensive
Financial Report**

of the

Fair Lawn Public Schools

Fair Lawn, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

Fair Lawn Public Schools

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INTRODUCTORY SECTION
(UNAUDITED)



November 20, 2025

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, 2025, 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 2024-2025 fiscal year with an average daily enrollment of 5,517 students, an increase of 17 students 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 2024 U.S. Census Bureau estimated the Borough's population to be 36,489, which is a gain of 1,559 residents from 2020. The Borough has a total area of 5.201 square miles mostly occupied by residential housing units. Approximately 83% of the Borough's tax base is residential and approximately 16% is industrial and commercial and 1% is vacant.

Fair Lawn's industrial area adjacent to State Routes 208 and 4 is the site of many well-known companies including: Columbia Bank, Hyatt Place Hotel, Thermo Fisher Scientific, and A. Zerega's Sons Pasta, Inc. 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. Fair Lawn Main Street Inc. and the Economic Development Corporation 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 79% compared with Bergen County's overall owner-occupancy rate of 65%. 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 an attractive community for newcomers from various regions around the world.

3) MAJOR INITIATIVES:

The Fair Lawn School District is dedicated to fostering continuous improvement, high levels of learning, and self-confidence in every student. Our mission is to develop the leaders of tomorrow by preparing all learners to become productive, compassionate citizens equipped with the critical thinking, technological, and communication skills needed to thrive and contribute in a global, democratic society. We expect all students to meet or exceed the New Jersey Student Learning Standards at every grade level. This mission is realized through rigorous academic programs, a positive and inclusive learning environment, strong partnerships with families and the community, and the professionalism and commitment of our staff to ensuring success for all students.

In 2025, 70% of our 421 graduates are attending 4-year colleges, 13% are attending 2-year colleges, 1.5% aspired to trade/technical school, 2.5% pursued military opportunities and 13% of the students reported "other" as their post secondary plans. Our 2025 graduates received admissions to nearly 200 universities, including Ivy League institutions, military academies, and numerous other competitive colleges and universities.

3) MAJOR INITIATIVES: (Cont'd)

Other District Highlights

- Fair Lawn named 20th best small city to live in (nationwide!) for 2025 (WalletHub) and is top 10 in Bergen County and #40 of 243 across New Jersey (Niche)
- Fair Lawn District is the #4 ranked comprehensive high school in Bergen County, and the 45th ranked high school overall (NJDOE school rankings).
- Fair Lawn is outperforming similar districts and the nation (for NJSLA and AP), and is on par with districts of higher-socioeconomic status in achievement
- FLHS has seen an increase of 32.8% in the number of AP exams taken (over the past 3 years), while also having 96% of AP students score 3 or higher (12% increase from 2022)
- Almost 30 AP courses, numerous academic and elective courses including dual-college enrollment, inclusive of a concurrent Associate's Degree Program, 4 NJDOE approved CTE programs of study, over 70 student activities, 9 honor societies and 27 varsity sports are offered.

Professional development in Fair Lawn is grounded in the District's Goals and Professional Development Plan, as well as ongoing District, School, and Department initiatives. New teachers participate in a comprehensive summer orientation and a four-year induction program designed to build instructional expertise and promote professional growth. Throughout the year, all staff engage in collaborative curriculum work, refine instructional strategies, and participate in targeted training focused on meeting the diverse needs of students. Current professional learning priorities include strengthening Multi-Tiered Systems of Support (MTSS) to provide early, layered academic and behavioral interventions (including mental health initiatives); exploring programs that prepare students for careers by building workplace skills through real-world, applied learning; strengthening student and staff safety and well-being through technology, assessments, and social-emotional supports; and deepening staff capacity in data analysis to inform instruction and differentiate learning. These efforts collectively reinforce the district's commitment to equity, excellence, and whole-child development. The district has instituted a 1:1 initiative whereby all students have a district issued chromebook or laptop. The district will continue to budget for replacement of these devices. Additionally, the district funds the PSAT for students in grades 9–11 to uncover AP potential, promote college readiness, and position all students for future academic success..

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 and instructional classroom renovations. The district's maintenance reserve funds were utilized to address needed maintenance throughout the district such as asphalt paving, sidewalk repairs, flooring repairs and other general maintenance projects while the emergency reserve funds were utilized to address needed building security upgrades such as additional security cameras and cell phone connectivity expansion within the buildings. The district plans to continue this work in successive budget cycles.

District Goals for the 2024-2025 school year were:

1. Career and Technical Education - 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, 2025.

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:

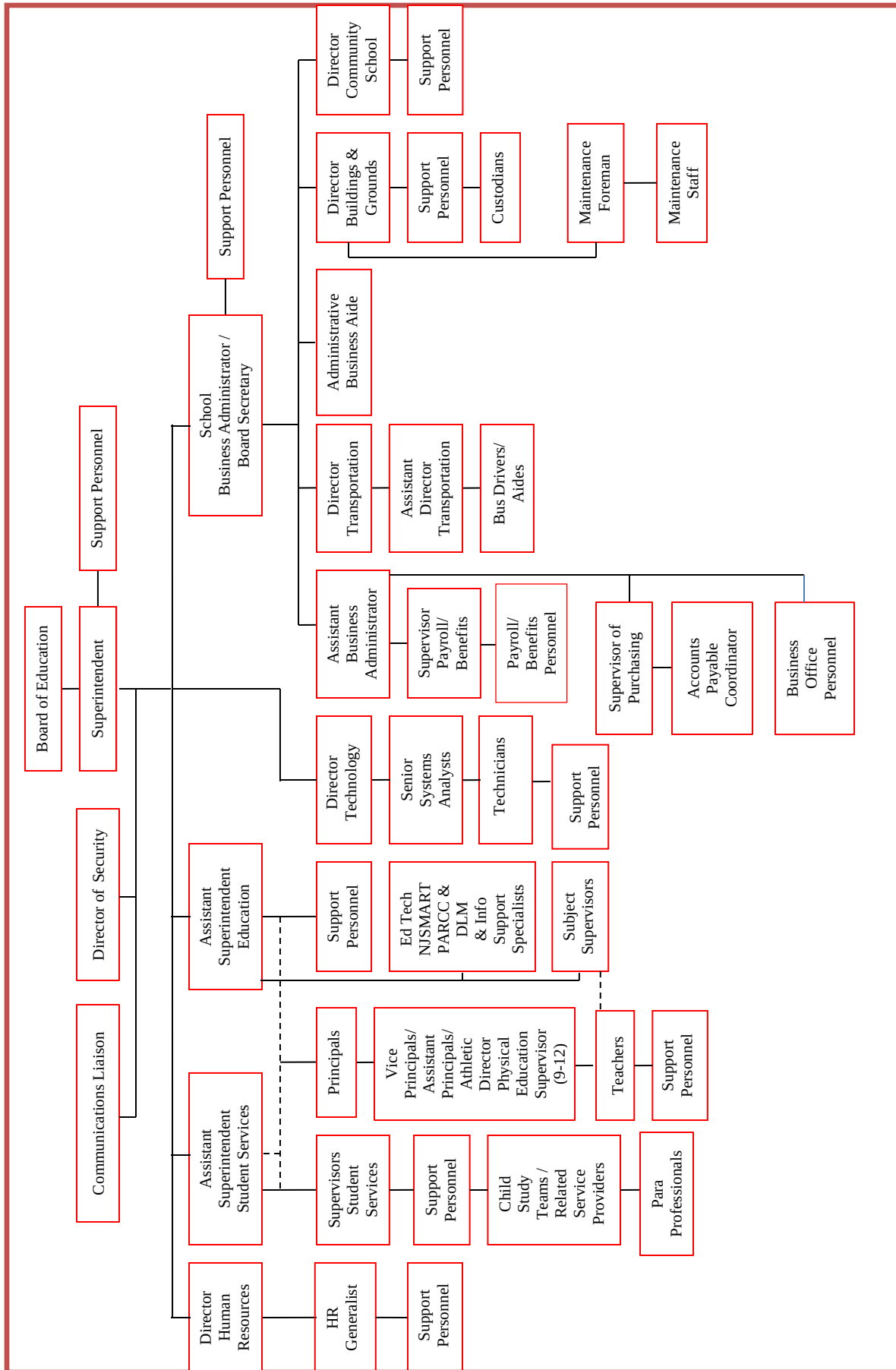
We would like to express our appreciation to the members of the Fair Lawn Public Schools Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. 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


Jorge Cruz
School Business Administrator/Board Secretary

FAIR LAWN PUBLIC SCHOOLS ORGANIZATION CHART



**FAIR LAWN PUBLIC SCHOOLS
ROSTER OF OFFICIALS
JUNE 30, 2025**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Julie Mahan, President	12/31/2026
Joseph Baldofsky, Vice-President	12/31/2027
Dr. Edward Bertolini, Member	12/31/2025
Jeanne Browne, Member	12/31/2026
Anthony Elia, Member	12/31/2027
Rita Fayvelevich, Member	12/31/2026
Julia Kossoy, Member (As of 2/27/2025)	12/31/2025
Michael Rosenberg, Member (Resigned 12/19/2024)	
Wilkin Santana, Member	12/31/2027
Lisa Yourman, Member	12/31/2025

<u>Other Officers</u>	<u>Title</u>
Dr. Rui Dionisio	Superintendent of Schools
Danielle Mancuso	School Business Administrator/Board Secretary (to 9/12/2025)
Jorge Cruz	School Business Administrator/Board Secretary (from 10/01/2025)
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
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, NJ 07856-1320

Attorneys

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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, 2025, 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 respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of June 30, 2025, 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 audit opinions.

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.

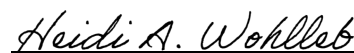
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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 November 20, 2025 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.

November 20, 2025
Mount Arlington, New Jersey


NISIVOCCIA LLP



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, 2025

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, 2025. 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

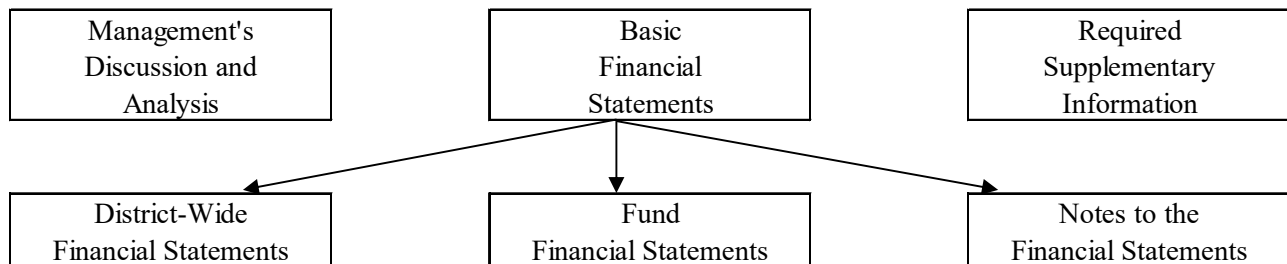
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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, 2025

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	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balances	• 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, 2025

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, 2025

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 \$3,316,666. Net position from governmental activities increased by \$2,996,253 and net position from business activities increased by \$320,413. Net investment in capital assets decreased by \$1,850,777; restricted net position increased by \$6,050,059; and unrestricted net position decreased by \$882,616. Net investment in capital assets decreased primarily due to current year depreciation expense, capital assets deletions, net of accumulated depreciation and amortization of the lease assets offset by current year capital assets additions, the maturity of the serial bonds payable and leases and the deferred amount on the refunding serial bonds. Restricted net position increased mainly due to increases in the Capital Reserve, Unemployment Compensation, Student Activities; and Scholarships offset by decreases in the Emergency Reserve and the Debt Service Fund. The decrease in unrestricted net position is due primarily to the continuing capital projects expenses; offset by changes in deferred outflows and deferred inflows related to pensions and net pension liability and excess revenue and unexpended budget appropriations.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	Change 2024/25
Current and							
Other Assets	\$ 64,944,555	\$ 60,843,636	\$ 4,034,931	\$ 4,037,148	\$ 68,979,486	\$ 64,880,784	
Capital Assets, Net	70,025,777	74,566,685	523,765	369,381	70,549,542	74,936,066	
Lease Assets, Net	561,092				561,092		
Total Assets	135,531,424	135,410,321	4,558,696	4,406,529	140,090,120	139,816,850	0.20%
Deferred Outflows of Resources	2,394,183	2,628,957			2,394,183	2,628,957	-8.93%
Other Liabilities	6,686,037	5,942,550	306,871	475,117	6,992,908	6,417,667	
Long-Term Liabilities							
Outstanding	51,205,123	54,890,617			51,205,123	54,890,617	
Total Liabilities	57,891,160	60,833,167	306,871	475,117	58,198,031	61,308,284	-5.07%
Deferred Inflows of Resources	2,448,505	2,616,422			2,448,505	2,616,422	-6.42%
Net Position:							
Net Investment in							
Capital Assets	37,234,804	39,239,965	523,765	369,381	37,758,569	39,609,346	
Restricted	53,829,383	47,779,324			53,829,383	47,779,324	
Unrestricted/(Deficit)	(13,478,245)	(12,429,600)	3,728,060	3,562,031	(9,750,185)	(8,867,569)	
Total Net Position	\$ 77,585,942	\$ 74,589,689	\$ 4,251,825	\$ 3,931,412	\$ 81,837,767	\$ 78,521,101	4.22%

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, 2025

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities 2024/25	Business- Type Activities 2024/25	Governmental Activities 2023/24	Business- Type Activities 2023/24	Total School District 2024/25	Total School District 2023/24	Percentage Change 2024/25
Revenue:							
Program Revenue:							
Charges for Services	\$ 3,661,213	\$ 1,491,305	\$ 3,224,072	\$ 1,415,034	\$ 5,152,518	\$ 4,639,106	
Operating Grants and Contributions	23,569,551	963,714	26,354,026	632,262	24,533,265	26,986,288	
General Revenue:							
Property Taxes	99,542,402		98,063,263		99,542,402	98,063,263	
Unrestricted State and Federal Aid	15,002,751		14,566,360		15,002,751	14,566,360	
Other	3,585,386	117,872	3,348,400	95,095	3,703,258	3,443,495	
Total Revenue	<u>145,361,303</u>	<u>2,572,891</u>	<u>145,556,121</u>	<u>2,142,391</u>	<u>147,934,194</u>	<u>147,698,512</u>	0.16%
Expenses:							
Instruction	79,447,182		76,831,615		79,447,182	76,831,615	
Pupil and Instruction Services	26,326,126		25,645,520		26,326,126	25,645,520	
Administrative and Business	12,800,147		12,447,707		12,800,147	12,447,707	
Maintenance and Operations	14,820,629		13,856,926		14,820,629	13,856,926	
Transportation	5,976,838		5,527,258		5,976,838	5,527,258	
Other	2,994,128	2,252,478	2,983,008	2,277,451	5,246,606	5,260,459	
Total Expenses	<u>142,365,050</u>	<u>2,252,478</u>	<u>137,292,034</u>	<u>2,277,451</u>	<u>144,617,528</u>	<u>139,569,485</u>	3.62%
Increase/(Decrease) in Net Position	<u>\$ 2,996,253</u>	<u>\$ 320,413</u>	<u>\$ 8,264,087</u>	<u>\$ (135,060)</u>	<u>\$ 3,316,666</u>	<u>\$ 8,129,027</u>	-59.20%

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, 2025**

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			
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
	<u>2024/25</u>	<u>2024/25</u>	<u>2023/24</u>	<u>2023/24</u>
Instruction	\$ 79,447,182	\$ 58,270,739	\$ 76,831,615	\$ 55,066,671
Pupil and Instruction Services	26,326,126	25,701,698	25,645,520	22,902,625
Administrative and Business	12,800,147	11,670,004	12,447,707	10,922,095
Maintenance and Operations	14,820,629	14,820,629	13,856,926	13,851,328
Transportation	5,976,838	4,344,631	5,527,258	4,321,697
Other	2,994,128	326,585	2,983,008	649,520
	<u>\$ 142,365,050</u>	<u>\$ 115,134,286</u>	<u>\$ 137,292,034</u>	<u>\$ 107,713,936</u>

Business-Type Activities

Net position from the District's business-type activities increased by \$320,413 (Refer to Figure A-4). The increase in net position was primarily due to an increase in daily sales.

Financial Analysis of the District's Funds

The District's financial position in the General Fund increased due to unexpended budget appropriations and excess budget revenue.

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, 2025

Capital Assets and Long-term Liabilities Administration

Figure A-6

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percentage
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	Change 2024/25
Sites and Site							
Improvements	\$ 2,883,400	\$ 3,094,252			\$ 2,883,400	\$ 3,094,252	
Construction in							
Progress	1,871,839	1,026,532			1,871,839	1,026,532	
Buildings and Building							
Improvements	62,809,734	67,611,919			62,809,734	67,611,919	
Machinery and							
Equipment	<u>2,460,804</u>	<u>2,833,982</u>	<u>\$523,765</u>	<u>\$369,381</u>	<u>2,984,569</u>	<u>3,203,363</u>	
Total	<u>\$ 70,025,777</u>	<u>\$ 74,566,685</u>	<u>\$523,765</u>	<u>\$369,381</u>	<u>\$ 70,549,542</u>	<u>\$ 74,936,066</u>	-5.85%

Long-term Liabilities

The District's long term liabilities decreased by \$3,685,494 or (6.71%) 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
	2024/25	2023/24	Change 2024/25
General Obligation Bonds (Financed with Property Taxes)	\$ 33,300,000	\$ 35,885,000	
Net Pension Liability	15,597,008	17,306,193	
Compensated Absences Payable	1,749,703	1,699,424	
Leases Payable	<u>558,412</u>		
	<u>\$ 51,205,123</u>	<u>\$ 54,890,617</u>	-6.71%

- The District continued to pay down its bonded debt, retiring \$2,585,000 of outstanding bonds.
- Compensated absences payable increased by a net amount of \$50,279.
- Net pension liability decreased by \$1,709,185.
- The District entered into two new leases for computers resulting in a net increase in leases payable of \$558,412.

Fair Lawn Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

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 in future years. The District will have to closely monitor this development as 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 and the District must be cognizant of these needs, to ensure funds are available to support these renovations.
- The Board faces continued required maintenance of all school buildings that are between 50-100 years old.
- While the District was able to move away from the NJ State Health Benefits Plan effective July 1, 2025, continued increases in healthcare costs will continue to put budgetary constraints on Administration during each subsequent budget cycle.

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, 2025

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 15,743,340	\$ 3,927,154	\$ 19,670,494
Internal Balances	(13,483)	13,483	
Receivables from State Government	3,193,141	3,656	3,196,797
Receivables from Federal Government	116,170	40,043	156,213
Other Accounts Receivable	81,307	18,976	100,283
Inventories		31,619	31,619
Restricted Cash and Cash Equivalents	45,824,080		45,824,080
Capital Assets, Net:			
Sites (Land) and Construction in Progress	2,686,155		2,686,155
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	67,339,622	523,765	67,863,387
Lease Assets, Net	561,092		561,092
Total Assets	<u>135,531,424</u>	<u>4,558,696</u>	<u>140,090,120</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Amount on Refunding	506,347		506,347
Deferred Outflows Related to Pensions	356,659		356,659
District Contribution Subsequent to the Measurement Date - Pensions	1,531,177		1,531,177
Total Deferred Outflows of Resources	<u>2,394,183</u>		<u>2,394,183</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	5,263,374	203,269	5,466,643
Accrued Interest Payable	303,249		303,249
Payable to Federal Government	26,197		26,197
Unearned Revenue	1,093,217	103,602	1,196,819
Noncurrent Liabilities:			
Due Within One Year	2,734,349		2,734,349
Due Beyond One Year	48,470,774		48,470,774
Total Liabilities	<u>57,891,160</u>	<u>306,871</u>	<u>58,198,031</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	2,448,505		2,448,505
Total Deferred Inflows of Resources	<u>2,448,505</u>		<u>2,448,505</u>
<u>NET POSITION/</u>			
Net Investment in Capital Assets	37,234,804	523,765	37,758,569
Restricted for:			
Capital Projects	39,269,377		39,269,377
Debt Service	172,376		172,376
Maintenance	4,427,875		4,427,875
Emergency	456,219		456,219
Excess Surplus	7,832,927		7,832,927
Unemployment Compensation	1,092,397		1,092,397
Scholarships	23,221		23,221
Student Activities	554,991		554,991
Unrestricted/(Deficit)	(13,478,245)	3,728,060	(9,750,185)
Total Net Position	<u>\$ 77,585,942</u>	<u>\$ 4,251,825</u>	<u>81,837,767</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, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental Activities:							
Instruction:							
Regular	\$ 54,343,708	\$ 58,027	\$ 8,236,586	\$ (46,049,095)		\$ (46,049,095)	
Special Education	18,256,998	217,318	12,326,163	(5,713,517)		(5,713,517)	
Other Special Instruction/School Sponsored/Other Instruction	6,846,476	3,000	335,349	(6,508,127)		(6,508,127)	
Support Services:							
Tuition	6,709,132			(6,709,132)		(6,709,132)	
Student and Instruction Related Services	19,616,994	624,428		(18,992,566)		(18,992,566)	
School Administrative Services	7,012,048		74,865	(6,937,183)		(6,937,183)	
General Administrative Services	1,513,125		1,055,278	(457,847)		(457,847)	
Central Services	2,179,479			(2,179,479)		(2,179,479)	
Administrative Information Technology	2,095,495			(2,095,495)		(2,095,495)	
Plant Operations and Maintenance	14,820,629			(14,820,629)		(14,820,629)	
Pupil Transportation	5,976,838	90,897	1,541,310	(4,344,631)		(4,344,631)	
Capital Outlay	77,256			(77,256)		(77,256)	
Special Schools	1,903,232	2,667,543		764,311		764,311	
Transfer of Funds to Charter School	46,906			(46,906)		(46,906)	
Interest on Long-Term Debt	966,734			(966,734)		(966,734)	
Total Governmental Activities	142,365,050	3,661,213	23,569,551	(115,134,286)		(115,134,286)	
Business-Type Activities:							
Food Service	2,252,478	1,491,305	963,714		\$ 202,541	202,541	
Total Business-Type Activities	2,252,478	1,491,305	963,714		202,541	202,541	
Total Primary Government	\$ 144,617,528	\$ 5,152,518	\$ 24,533,265	\$ (115,134,286)	\$ 202,541	\$ (114,931,745)	

FAIR LAWN PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 96,546,907		\$ 96,546,907
Property Taxes, Levied for Debt Service Principal	2,995,495		2,995,495
Federal, State and Local Aid not Restricted	15,002,751		15,002,751
Investment Earnings	271,729	\$ 117,872	389,601
Rents and Royalties	26,013		26,013
Restricted Miscellaneous Income	154,881		154,881
Unrestricted Miscellaneous Income	3,132,763		3,132,763
Total General Revenues	118,130,539	117,872	118,248,411
Change in Net Position	2,996,253	320,413	3,316,666
Net Position - Beginning	74,589,689	3,931,412	78,521,101
Net Position - Ending	\$ 77,585,942	\$ 4,251,825	\$ 81,837,767

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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 11,825,138		\$ 3,745,826	\$ 172,376	\$ 15,743,340
Interfund Receivable	3,194				3,194
Receivables From State Government	3,168,484	\$ 24,657			3,193,141
Receivables From Federal Government		116,170			116,170
Other Accounts Receivables	81,247	60			81,307
Restricted Cash and Cash Equivalents	45,245,868	578,212			45,824,080
Total Assets	\$ 60,323,931	\$ 719,099	\$ 3,745,826	\$ 172,376	\$ 64,961,232
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 3,658,985	\$ 73,212			\$ 3,732,197
Interfund Payable	13,483	3,194			16,677
Payable to State Government		26,197			26,197
Unearned Revenue	1,054,933	38,284			1,093,217
Total Liabilities	4,727,401	140,887			4,868,288
Fund Balances:					
Restricted:					
Excess Surplus - 2026-2027	4,000,000				4,000,000
Excess Surplus - 2025-2026	3,832,927				3,832,927
Capital Reserve	39,269,377				39,269,377
Maintenance Reserve	4,427,875				4,427,875
Emergency Reserve	456,219				456,219
Debt Service				\$ 172,376	172,376
Unemployment Compensation	1,092,397				1,092,397
Scholarships		23,221			23,221
Student Activities		554,991			554,991
Committed:					
Capital Projects			\$ 3,745,826		3,745,826
Assigned:					
Encumbrances	905,895				905,895
Designated for Subsequent Year's Expenditures	167,073				167,073
Unassigned	1,444,767				1,444,767
Total Fund Balances	55,596,530	578,212	3,745,826	172,376	60,092,944
Total Liabilities and Fund Balances	\$ 60,323,931	\$ 719,099	\$ 3,745,826	\$ 172,376	\$ 64,961,232

FAIR LAWN PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

Total
Governmental
Funds

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Total Fund Balances from previous page	\$ 60,092,944
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	70,025,777
Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	561,092
Interest on Long-Term Debt is not Accrued in Governmental Funds, but Rather is Recognized as an Expenditure When Due.	(303,249)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(15,597,008)
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	356,659
Deferred Inflows	(2,448,505)
The deferred amount on bond refunding is not reported as an expenditure in the Governmental Funds in the year of expenditure.	506,347
Long-Term Liabilities, including Bonds Payable and Leases Payable, are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	(35,608,115)
Net Position of Governmental Activities	<u>\$ 77,585,942</u>

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

FAIR LAWN PUBLIC SCHOOLS
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 96,546,907			\$ 2,995,495	\$ 99,542,402
Tuition Charges	278,345				278,345
Transportation Fees from Individuals	90,897				90,897
Rents and Royalties	26,013				26,013
Interest Earned on Capital Reserve Funds	271,229				271,229
Interest Earned on Maintenance Reserve Funds	250				250
Interest Earned on Emergency Reserve Funds	250				250
Other Restricted Miscellaneous Revenues	2,822,424	\$ 627,116			3,449,540
Unrestricted Miscellaneous Revenue	3,132,763				3,132,763
Total - Local Sources	103,169,078	627,116		2,995,495	106,791,689
State Sources	50,876,580	621,342		268,042	51,765,964
Federal Sources	56,601	2,112,500			2,169,101
Total Revenues	154,102,259	3,360,958		3,263,537	160,726,754
EXPENDITURES:					
Current:					
Regular Instruction	36,158,183	1,193,076			37,351,259
Special Education Instruction	12,466,108	1,543,454			14,009,562
Other Special Instruction/School					
Sponsored/Other Instruction	4,747,250				4,747,250
Support Services and Undistributed Costs:					
Tuition	6,709,132				6,709,132
Student and Other Instruction Related Services	15,751,201	545,997			16,297,198
General Administrative Services	1,202,468				1,202,468
School Administrative Services	4,918,970				4,918,970
Central Services	1,769,002				1,769,002
Administrative Information Technology	1,858,409				1,858,409
Plant Operations and Maintenance	13,567,829				13,567,829
Student Transportation	4,736,342				4,736,342
Unallocated Benefits	43,158,526				43,158,526
Capital Outlay	1,548,916		\$ 845,307		2,394,223
Special Schools	1,909,491				1,909,491
Transfer of Funds to Charter School	46,906				46,906
Debt Service:					
Principal				2,585,000	2,585,000
Interest and Other Charges				923,422	923,422
Total Expenditures	150,548,733	3,282,527	845,307	3,508,422	158,184,989
Excess/(Deficit) of Revenue Over/(Under) Expenditures	3,553,526	78,431	(845,307)	(244,885)	2,541,765
Other Financing Sources/(Uses):					
Leases (Non-budgeted)	597,562				597,562
Total Other Financing Sources/(Uses)	597,562				597,562
Net Change in Fund Balances	4,151,088	78,431	(845,307)	(244,885)	3,139,327
Fund Balance - July 1	51,445,442	499,781	4,591,133	417,261	56,953,617
Fund Balance - June 30	\$ 55,596,530	\$ 578,212	\$ 3,745,826	\$ 172,376	\$ 60,092,944

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, 2025

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$ 3,139,327
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital outlays related to capital assets 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 and deletions in the period.	
Depreciation Expense	\$ (6,282,853)
Capital Asset Additions	1,719,404
Adjustment/Deletions, Net of Accumulated Depreciation	<u>22,541</u>
	(4,540,908)
Capital outlays related to lease assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.	
Amortization Expense	(36,470)
Lease Asset Additions	<u>597,562</u>
	561,092
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 (+).	8,621
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.	2,585,000
Leases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	(597,562)
Repayment of leases is an expenditure in the governmentals funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Acitivites.	39,150
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	1,709,185
Change in Deferred Outflows	26,643
Change in Deferred Inflows	167,917
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>(50,279)</u>
Change in Net Position of Governmental Activities	<u>\$ 2,996,253</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, 2025

Business-Type
Activities -
Enterprise Funds
Food
Service

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 3,927,154
Interfund Receivable - General Fund	13,483
Intergovernmental Accounts Receivable:	
State	3,656
Federal	40,043
Other Accounts Receivable	18,976
Inventories	31,619

Total Current Assets	4,034,931
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Non-Current Assets:

Capital Assets	1,263,524
Less: Accumulated Depreciation	(739,759)

Total Non-Current Assets	523,765
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Total Assets	4,558,696
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LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	203,269
Unearned Revenue - Prepaid Sales	103,602
Total Current Liabilities	306,871

NET POSITION:

Investment in Capital Assets	523,765
Unrestricted	3,728,060

Total Net Position	\$ 4,251,825
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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, 2025

	Business-Type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 809,908
Non-Reimbursable Programs	593,066
Other Income	88,331
Total Operating Revenue	1,491,305
Operating Expenses:	
Cost of Sales - Reimbursable Programs	487,194
Cost of Sales - Non-Reimbursable Programs	356,754
Salaries, Benefits & Payroll Taxes	925,356
Supplies, Insurance and Other Costs	290,761
Management Fee	105,316
Miscellaneous Expenses	16,484
Depreciation Expense	70,613
Total Operating Expenses	2,252,478
Operating Loss	(761,173)
Non-Operating Revenue:	
Local Sources:	
Interest Income	117,872
State Sources:	
State School Breakfast Program	363
State School Lunch Program	30,338
State Extended Income Eligibility - Breakfast	875
State Extended Income Eligibility - Lunch	20,383
Federal Sources:	
School Breakfast Program	13,046
National School Lunch Program	508,790
Summer Electronic Benefit Transfer Program	643
COVID-19 Supply Chain Assistance Award	249,708
Food Distribution Program	139,568
Total Non-Operating Revenue	1,081,586
Change in Net Position	320,413
Net Position - Beginning of Year	3,931,412
Net Position - End of Year	\$ 4,251,825

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, 2025

	Business-Type Activities - Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 1,481,675
Payments to Food Service Contractor	(1,853,622)
Payments for Suppliers	(113,254)
Net Cash Used for Operating Activities	(485,201)
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(224,997)
Net Cash Used for Capital and Related Financing Activities	(224,997)
Cash Flows from Investing Activities:	
Interest Income	117,872
Net Cash Provided by Investing Activities	117,872
Cash Flows from Noncapital Financing Activities:	
State Sources Collected in Food Service Fund	50,020
Federal Sources Collected in Food Service Fund	506,281
Net Cash Provided by Noncapital Financing Activities	556,301
Net Decrease in Cash and Cash Equivalents	(36,025)
Cash and Cash Equivalents, July 1	3,963,179
Cash and Cash Equivalents, June 30	\$ 3,927,154
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	\$ (761,173)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	70,613
Food Distribution Program	139,568
Changes in Assets and Liabilities:	
Increase in Unearned Revenue - Prepaid Sales	5,791
Increase in Accounts Payable	75,671
(Increase) in Other Accounts Receivable	(17,676)
(Increase) in Inventory	(250)
Decrease in Interfund Receivable - General Fund	2,255
Net Cash Used for Operating Activities	\$ (485,201)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$139,568 and utilized U.S.D.A. Commodities valued at \$139,568.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, 2025
(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, 2025
(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, 2025
(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, 2025 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.

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants receivable. These grants are recognized on the budgetary basis in full at the time of the award but are recognized on the GAAP basis as they are expended and requested for reimbursement.

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	\$ 154,274,614	\$ 3,360,958
Differences - Budgetary to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	1,966,470	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(2,138,825)	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 154,102,259</u>	<u>\$ 3,360,958</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 150,548,733	\$ 3,282,527
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 150,548,733</u>	<u>\$ 3,282,527</u>
		Capital Projects Fund
		<u>Fund Balance</u>
Fund Balance (Budgetary Basis)		\$ 5,264,892
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Receivable Recognized on GAAP Basis		<u>(1,519,066)</u>
Fund Balance per Governmental Funds (GAAP)		<u>\$ 3,745,826</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, 2025
(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, 2025.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2025
(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, 2025.

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 \$55,596,530 General Fund fund balance at June 30, 2025; \$905,895 is assigned for encumbrances; \$3,832,927 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2026; \$4,000,000 is current year excess surplus and will be anticipated and included as anticipated revenue for the fiscal year ending June 30, 2027; \$39,269,377 is restricted in the capital reserve account; \$4,427,875 is restricted in the maintenance reserve account; \$456,219 is restricted in the emergency reserve account; \$1,092,397 is restricted for unemployment compensation; \$167,073 is assigned fund balance designated for subsequent year's expenditures; and \$1,444,767 is unassigned, which is \$2,138,825 less on the GAAP basis than the calculated maximum unassigned fund balance, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2025.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

T. Fund Balance Appropriated (Cont'd)

Special Revenue Fund: Of the fund balance of \$578,212 in Special Revenue Fund at June 30, 2025, \$23,221 is restricted for scholarships; \$554,991 is restricted for student activities.

Capital Projects Fund: The Capital Projects Fund fund balance at June 30, 2025 of \$3,745,826 is committed, which is \$1,519,066 less on a GAAP basis due to the NJ SDA grants which will not be recognized on a GAAP basis until the related expenditures are submitted for reimbursement.

Debt Service Fund: The \$172,376 of fund balance in the Debt Service Fund at June 30, 2025 is restricted, of which \$172,376 has been appropriated and included as anticipated revenue in the budget for the fiscal year ended June 30, 2026.

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, 2025 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 \$13,478,245 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, committed and 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, 2025 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, 2025
(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 excess surplus, a capital reserve, a maintenance reserve, an emergency reserve, unemployment compensation, student activities, scholarships, and the debt service fund.

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 committed resources in the capital projects fund at June 30, 2025.

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 and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2025.

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, 2025
(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, 2025
(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, 2025
(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, 2025
(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, 2025, 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	\$ 39,269,377	\$ 4,427,875	\$ 456,219	\$ 1,092,397	\$ 554,991	\$ 23,221	\$ 19,670,494	\$ 65,494,574
	<u>\$ 39,269,377</u>	<u>\$ 4,427,875</u>	<u>\$ 456,219</u>	<u>\$ 1,092,397</u>	<u>\$ 554,991</u>	<u>\$ 23,221</u>	<u>\$ 19,670,494</u>	<u>\$ 65,494,574</u>

During the period ended June 30, 2025, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was \$65,494,574. The bank balance was \$68,422,026.

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, 2025
(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, 2024	\$ 28,401,298
Increased by:	
Transfer from Unassigned Fund Balance as per Board Resolution - June 2025	6,991,262
Interest Earnings	271,229
Budgeted Increase in Capital Reserve	<u>3,605,588</u>
Ending Balance, June 30, 2025	<u>\$ 39,269,377</u>

The balance in the capital reserve account at June 30, 2025 does not exceed the LRFP balance of local support costs of uncompleted capital projects. The budgeted withdrawal – capital projects fund - 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, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$ 607,078
Increased by:	
Interest Earnings	250
Unexpended Balance Returned	23,891
Decreased by:	
Budgeted Withdrawal	<u>(175,000)</u>
Ending Balance, June 30, 2025	<u>\$ 456,219</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2024	\$ 4,427,875
Increased by:	
Transfer from Unassigned Fund Balance as per Board Resolution - June 2025	1,947,594
Interest Earnings	250
Unexpended Balance Returned	118,906
Decreased by:	
Budgeted Withdrawal	(1,675,000)
Withdrawal as per Board Resolution	<u>(391,750)</u>
Ending Balance, June 30, 2025	<u>\$ 4,427,875</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 1,659,623			\$ 1,659,623
Construction in Progress	1,026,532	\$ 845,307		1,871,839
Total Capital Assets Not Being Depreciated	2,686,155	845,307		3,531,462
Capital Assets Being Depreciated:				
Site Improvements	5,799,582			5,799,582
Buildings and Building Improvements	96,802,577	684,176	\$ 27,877	97,514,630
Machinery and Equipment	11,593,933	189,921	(113,906)	11,669,948
Total Capital Assets Being Depreciated	114,196,092	874,097	(86,029)	114,984,160
Governmental Activities Capital Assets	116,882,247	1,719,404	(86,029)	118,515,622
Less: Accumulated Depreciation for:				
Site Improvements	(4,364,953)	(210,852)		(4,575,805)
Buildings and Building Improvements	(29,190,658)	(5,509,871)	(4,367)	(34,704,896)
Machinery and Equipment	(8,759,951)	(562,130)	112,937	(9,209,144)
	(42,315,562)	(6,282,853)	108,570	(48,489,845)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$74,566,685	\$ (4,563,449)	\$ 22,541	\$70,025,777
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 1,038,527	\$ 224,997		\$ 1,263,524
Less: Accumulated Depreciation	(669,146)	(70,613)		(739,759)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 369,381	\$ 154,384	\$ -0-	\$ 523,765

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 3,782,225
Other Special Instruction/School Sponsored/Other Instruction	746,461
Student and Instruction Related Services	233,887
General Administration Services	170,626
School Administration Services	98,544
Plant Operation and Maintenance	430,131
Student Transportation	820,979
	<u>\$ 6,282,853</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2025, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2024	Accrued	Retired	Balance 6/30/2025
Serial Bonds Payable	\$ 35,885,000		\$ 2,585,000	\$33,300,000
Net Pension Liability	17,306,193		1,709,185	15,597,008
Compensated Absences Payable	1,699,424	\$ 111,514	61,235	1,749,703
Leases Payable		597,562	39,150	558,412
	<u>\$ 54,890,617</u>	<u>\$ 709,076</u>	<u>\$ 4,394,570</u>	<u>\$ 51,205,123</u>

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, 2025 is \$-0- and the long-term portion is \$15,597,008. See Note 9 for further information on the PERS.

B. Bonds Authorized But Not Issued:

As of June 30, 2025, the Board had \$-0- 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, 2025 as follows:

<u>Serial Bonds</u>			
Purpose	Final Maturity Date	Interest Rate	Amount
Refunding Bonds of 2022	03/01/35	1.139-2.288%	\$ 11,905,000
Various Improvements	09/01/43	3.125-3.50%	21,395,000
			<u>\$ 33,300,000</u>

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, 2025

(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

C. Bonds Payable: (Cont'd)

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

Year Ending June 30,	Bonds		
	Principal	Interest	Total
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	2,600,000	732,085	3,332,085
2030	2,610,000	676,185	3,286,185
2031-2035	8,675,000	2,632,682	11,307,682
2036-2040	6,385,000	1,476,778	7,861,778
2041-2044	5,280,000	369,600	5,649,600
	<u>\$ 33,300,000</u>	<u>\$ 8,389,226</u>	<u>\$ 41,689,226</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 \$6,297 and is separated from the long-term portion of compensated absences of \$1,743,406. 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, 2025, \$-0- is recorded for compensated absences in the Enterprise Funds.

E. Leases Payable:

The District had leases payable outstanding as of June 30, 2025 as follows:

Purpose	Frequency of Payment	Final Maturity Date	Interest Rate	Amount
Dell Laptops	Annually	7/1/2029	3.718%	\$ 451,682
HP Laptops	Annually	7/1/2028	4.942%	106,730
				<u>\$ 558,412</u>

Principal and interest due on leases outstanding will be liquidated through the General Fund and are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2026	\$ 153,052	\$ 5,275	\$ 158,327
2027	142,363	15,964	158,327
2028	148,092	10,235	158,327
2029	114,905	4,272	119,177
	<u>\$ 558,412</u>	<u>\$ 35,746</u>	<u>\$ 594,158</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. PENSION PLANS

A. Public Employees' Retirement System (PERS)

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.nj.gov/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. 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. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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 have determined the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being 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 is adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$1,568,885 for the current fiscal year. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$50,285 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation 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 statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2025, the District reported a liability of \$15,597,008 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.11478%, which was a decrease of 0.00470% as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized an actual pension benefit of \$341,845 for PERS. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense for PERS on behalf of the District in the amount of \$50,285 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2025, 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	2020	5.16		\$ (113,344)
	2021	5.13	\$ 19,376	
	2022	5.04		(64,114)
			<u>19,376</u>	<u>(177,458)</u>
Difference Between Expected and Actual Experience	2020	5.16	6,315	
	2021	5.13		(15,410)
	2022	5.04		(26,114)
	2023	5.08	80,230	
	2024	5.08	225,892	
			<u>312,437</u>	<u>(41,524)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2021	5.00		(1,070,635)
	2022	5.00		1,698,394
	2023	5.00		(440,423)
	2024	5.00		(910,527)
				<u>(723,191)</u>
Changes in Proportion	2020	5.16		(19,505)
	2021	5.13	24,846	
	2022	5.04		(708,827)
	2023	5.08		(205,181)
	2024	5.08		(572,819)
			<u>24,846</u>	<u>(1,506,332)</u>
District Contribution Subsequent to the Measurement Date	2024	1.00	1,531,177	
			<u>\$ 1,887,836</u>	<u>\$ (2,448,505)</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 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
2025	\$ (1,214,211)
2026	(39,221)
2027	(515,703)
2028	(315,909)
2029	(6,802)
	<u>\$ (2,091,846)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2023 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, 2025
(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, 2024) 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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, 2025
(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, 2024 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, 2024		
	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	\$ 20,724,590	\$ 15,597,008	\$ 11,233,465

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.nj.gov/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, 2025
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (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 2024, 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 2025, the State of New Jersey contributed \$16,676,200 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of (\$715,696).

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, 2025, the District reported a liability of \$196,196,767 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.39696%, which was a decrease of 0.00661% as of June 30, 2023.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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	<u>196,196,767</u>
Total	<u>\$ 196,196,767</u>

For the fiscal year ended June 30, 2024, the State recognized a pension benefit on behalf of the District in the amount of (\$715,696) and the District recognized pension benefit and revenue for that same amount in the fiscal year ended June 30, 2025 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	2017	8.30		\$ 480,199,664
	2018	8.29		1,060,765,245
	2019	8.04		1,016,333,107
	2020	7.99	\$ 603,633,698	
	2021	7.93		7,317,559,989
	2022	7.83	67,989,902	
			<u>671,623,600</u>	<u>9,874,858,005</u>
Difference Between Expected and Actual Experience	2017	8.30	8,543,764	
	2018	8.29	186,086,527	
	2019	8.04		39,486,140
	2020	7.99		3,217,090
	2021	7.93	97,106,767	
	2022	7.83		12,735,529
	2023	7.93	144,751,819	
	2024	7.84		211,440,707
			<u>436,488,877</u>	<u>266,879,466</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2021	5.00		888,658,452
	2022	5.00		(1,659,667,329)
	2023	5.00		357,972,332
	2024	5.00		816,400,864
				<u>403,364,319</u>
			<u>\$ 1,108,112,477</u>	<u>\$ 10,545,101,790</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 benefit excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
2025	\$ (3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	(34,177,408)
	<u>\$ (9,436,989,313)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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% – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 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, 2025
(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, 2024) 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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, 2025
(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, 2024 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, 2024		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 233,207,633	\$ 196,196,767	\$ 165,026,622

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 \$273,603 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to \$371,580 for the fiscal year ended June 30, 2025.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 local 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.nj.gov/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2023, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	153,556
Active Plan Members	<u>219,185</u>
Total	<u><u>372,741</u></u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

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.

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 5.65%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

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

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, 2025
(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 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine 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 3.93%. This represents the municipal bond return 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

	<u>Total OPEB Liability</u>
Balance at June 30, 2023	\$ 182,237,991
Changes for Year:	
Service Cost	7,557,269
Interest Cost	6,797,184
Difference between Actual and Expected Experience	(536,635)
Changes of Assumptions	15,448,250
Gross Benefit Payments by the State	(5,191,120)
Contributions from Members	<u>177,749</u>
Net Changes	<u>24,252,697</u>
Balance at June 30, 2024	<u><u>\$ 206,490,688</u></u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2024, 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 was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
Total OPEB Liability Attributable to the District	\$ 241,844,819	\$ 206,490,688	\$ 177,747,078

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, 2024, 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 was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 172,008,246	\$ 206,490,688	\$ 251,406,344

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

For the fiscal year ended June 30, 2025 the District recognized OPEB expense of \$6,959,605 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, 2024, 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, 2025
(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		\$ 3,960,004
	2018	9.51		4,834,519
	2019	9.29	\$ 762,754	
	2020	9.24	19,675,677	
	2021	9.24	116,220	
	2022	9.13		31,577,555
	2023	9.30	286,774	
	2024	9.33	13,792,489	
			<u>34,633,914</u>	<u>40,372,078</u>
Differences between Expected and Actual Experience	2018	9.51		4,570,125
	2019	9.29		8,977,657
	2020	9.24	18,338,503	
	2021	9.24		22,350,154
	2022	9.13	3,252,035	
	2023	9.30		2,664,033
	2024	9.33	491,210	
			<u>22,081,747</u>	<u>38,561,969</u>
Changes in Proportion	N/A	N/A	1,883,990	3,126,809
			<u>\$ 58,599,651</u>	<u>\$ 82,060,856</u>

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

Fiscal Year Ending June 30,	Total
2025	\$ (7,324,466)
2026	(6,141,607)
2027	(2,917,068)
2028	766,656
2029	(5,323,096)
Thereafter	<u>(1,278,805)</u>
	<u>\$ (22,218,386)</u>

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 obtained their medical coverage through the State of New Health Benefits Plan through June 30, 2025. The District obtains their dental benefits insurance through Delta Dental Plan of New Jersey.

Workers' Compensation

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

The audit of the Group as of June 30, 2025 is not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2024 is as follows:

	<u>New Jersey Schools Insurance Group</u>
Total Assets	\$ 452,862,436
Net Position	\$ 208,313,945
Total Revenue	\$ 187,698,949
Total Expenses	\$ 178,093,729
Change in Net Position	\$ 7,005,220
Members Dividends	\$ 2,600,000

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, 2025
(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>
2024-2025	\$ 28,631	\$ 341,268	\$ 215,018	\$ 1,092,397
2023-2024	20,252	219,849	201,383	937,516
2022-2023	8,015	222,111	290,310	898,798

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	\$ 3,194	\$ 13,483
Special Revenue Fund		3,194
Food Service Fund	13,483	
	<u>\$ 16,677</u>	<u>\$ 16,677</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 Food Service Fund is due to a check deposited into the General Fund that is due to the Food Service Fund.

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, 2025
(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, 2025, there were no transfers to the capital outlay accounts which required 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 including personnel matters. 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, 2025, there were encumbrances as detailed below in the governmental funds.

General Fund	Capital Projects Fund	Total Governmental Funds
<u>\$ 905,895</u>	<u>\$ 2,955,918</u>	<u>\$ 3,861,813</u>

The Capital Projects Fund has encumbrances of \$2,955,918 which are included in the committed balance on the Governmental Funds Balance Sheet.

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 18. ACCOUNTS PAYABLE

Accounts payable as of June 30, 2025 consisted of the following:

	<u>Governmental Funds</u>		<u>District Contribution Subsequent to the Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Business-Type Activities Proprietary Funds</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>			
Vendors	\$ 3,199,784	\$ 73,212		\$ 3,272,996	\$ 203,269
State of New Jersey			\$ 1,531,177	1,531,177	
Payroll Deductions and Withholdings	459,201			459,201	
	<u>\$ 3,658,985</u>	<u>\$ 73,212</u>	<u>\$ 1,531,177</u>	<u>\$ 5,263,374</u>	<u>\$ 203,269</u>

NOTE 19. LEASE ASSETS

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment		\$ 597,562		\$ 597,562
Total Lease Assets being Amortized		597,562		597,562
Governmental Activities Lease Assets		597,562		597,562
Less Accumulated Amortization for:				
Machinery and Equipment		(36,470)		(36,470)
		(36,470)		(36,470)
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ -0-</u>	<u>\$ 561,092</u>	<u>\$ -0-</u>	<u>\$ 561,092</u>

Amortization expense was charged to governmental functions as follows:

Regular Instruction	<u>\$ 36,470</u>
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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 TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's proportion of the net pension liability	0.1522285199%	0.1520364380%	0.1499850290%	0.1359914937%	0.1329959669%	0.1302019808%	0.1307191351%	0.1215122639%	0.1194818130%	0.1147847801%
District's proportionate share of the net pension liability	\$ 34,172,252	\$ 45,028,832	\$ 34,684,470	\$ 26,776,047	\$ 23,963,856	\$ 21,232,538	\$ 15,485,641	\$ 18,337,873	\$ 17,306,193	\$ 15,597,008
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	\$ 9,147,457
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	351.60%	457.75%	368.51%	287.09%	261.59%	227.22%	177.08%	209.37%	189.46%	170.51%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	\$ 1,308,757	\$ 1,354,684	\$ 1,394,926	\$ 1,357,170	\$ 1,297,630	\$ 1,424,344	\$ 1,460,309	\$ 1,532,328	\$ 1,592,351	\$ 1,568,885
Contributions in relation to the contractually required contribution	(1,308,757)	(1,354,684)	(1,394,926)	(1,357,170)	(1,297,630)	(1,424,344)	(1,460,309)	(1,532,328)	(1,592,351)	(1,568,885)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 9,836,977	\$ 9,412,139	\$ 9,326,718	\$ 9,160,723	\$ 9,344,363	\$ 8,745,131	\$ 8,758,624	\$ 9,134,286	\$ 9,147,457	\$ 9,350,605
Contributions as a percentage of covered employee payroll	13.30%	14.39%	14.96%	14.82%	13.89%	16.29%	16.67%	16.78%	17.41%	16.78%

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 TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's proportion of the net pension liability attributable to the District	0.3735561896%	0.3768283543%	0.3800082017%	0.3742537707%	0.3803055897%	0.3792037529%	0.3899368939%	0.3902517994%	0.4035600420%	0.3969577021%
State's proportionate share of the net pension liability attributable to the District	\$ 236,103,641	\$ 296,435,603	\$ 256,215,232	\$ 238,092,210	\$ 233,397,118	\$ 249,701,108	\$ 187,462,897	\$ 201,348,136	\$ 205,950,505	\$ 196,196,767
District's covered employee payroll	\$ 38,887,483	\$ 38,830,986	\$ 39,973,439	\$ 40,629,471	\$ 42,459,901	\$ 43,906,652	\$ 45,508,916	\$ 47,330,279	\$ 48,333,832	\$ 50,296,099
State's proportionate share of the net pension liability as a percentage of its covered employee payroll	607.15%	763.40%	640.96%	586.01%	549.69%	568.71%	411.93%	425.41%	426.10%	390.08%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	N/A	N/A	N/A	N/A	N/A	\$ 15,527,478	\$ 4,411,084	\$ 5,418,841	\$ 5,059,605	\$ (715,696)
Contributions in relation to the contractually required contribution	N/A	N/A	N/A	N/A	N/A	(11,334,993)	(16,065,326)	(16,498,022)	(16,915,693)	(16,676,200)
Contribution deficiency/(excess)	N/A	N/A	N/A	N/A	N/A	<u>\$ 4,192,485</u>	<u>\$ (11,654,242)</u>	<u>\$ (11,079,181)</u>	<u>\$ (11,856,088)</u>	<u>\$ (17,391,896)</u>
District's covered employee payroll	\$ 38,830,986	\$ 39,973,439	\$40,629,471	\$ 42,459,901	\$ 43,906,652	\$ 45,508,916	\$ 47,330,279	\$ 48,333,832	\$ 50,296,099	\$ 52,279,887
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	24.91%	33.94%	34.13%	33.63%	31.90%

N/A - Not Available

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 EIGHT 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	\$ 7,451,252
Interest	5,887,159	6,837,176	6,353,472	5,235,840	5,474,710	6,418,199
Changes of Benefit Terms					(224,631)	
Differences between Expected and Actual Experience		(16,826,160)	(24,992,778)	40,192,214	(37,363,809)	(3,080,358)
Changes in Assumptions	(24,043,354)	(18,416,702)	2,169,640	43,136,391	208,211	367,316
Member Contributions	158,908	148,317	132,411	124,609	139,961	164,476
Gross Benefit Payments	(4,315,517)	(4,291,369)	(4,466,875)	(4,111,168)	(4,312,538)	(5,003,091)
Net Change in Total OPEB Liability	(14,224,623)	(25,830,734)	(14,972,204)	90,634,523	(25,105,215)	6,317,794
Total OPEB Liability - Beginning	200,542,494	186,317,871	160,487,137	145,514,933	236,149,456	175,920,197
Total OPEB Liability - Ending	\$ 186,317,871	\$ 160,487,137	\$ 145,514,933	\$ 236,149,456	\$ 211,044,241	\$ 182,237,991
District's Covered Employee Payroll *	\$ 48,667,963	\$ 49,385,578	\$ 49,956,189	\$ 51,620,624	\$ 53,251,015	\$ 56,088,903
Total OPEB Liability as a Percentage of Covered Employee Payroll	383%	325%	291%	457%	396%	325%
						359%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2024 are based on the payroll on the June 30, 2016 - 2023 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, 2025

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2023 actuarial valuation the salary increases were 2.75 – 5.65% based on years of service while in the July 1, 2022 actuarial valuation the salary increases were 2.75% – 4.25% based on years of service.

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, 2024 was 3.93%. The discount rate for June 30, 2023 was 3.65%, a change of .28%.

The health care trend rates in the valuation as of June 30, 2024 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BUDGETARY COMPARISON SCHEDULES

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 96,546,907		\$ 96,546,907	\$ 96,546,907	\$ 51,427
Tuition From Individuals	6,600		6,600	58,027	67,318
Tuition From Other LEAs Within the State	150,000		150,000	217,318	1,000
Tuition From Summer School	2,000		2,000	3,000	37,897
Transportation Fees From Individuals	53,000		53,000	90,897	1,013
Rents and Royalties	25,000		25,000	26,013	346,011
Unrestricted Miscellaneous Revenues	396,257		396,257	742,268	2,390,495
Interest Earned	250		250	250	
Interest Earned on Emergency Reserve	250		250	250	
Interest Earned on Maintenance Reserve	20,000		20,000	271,229	251,229
Interest Earned on Capital Reserve Funds	2,142,600		2,142,600	2,822,424	679,824
Other Restricted Miscellaneous Revenues					
Total Revenues from Local Sources	99,342,864		99,342,864	103,169,078	3,826,214
Revenues from State Sources:					
Categorical Transportation Aid	1,286,009		1,286,009	1,286,009	
Extraordinary Aid	1,705,000		1,705,000	2,591,601	886,601
Categorical Special Education Aid	6,571,879		6,571,879	6,571,879	
Equalization Aid	13,896,502		13,896,502	13,896,502	
Categorical Security Aid	716,128		716,128	716,128	
Nonpublic Transportation Aid	87,580		87,580	297,498	209,918
Homeless Tuition Reimbursement				91,387	91,387
Menstrual Product Reimbursement				409	409
TPAF Post Retirement Contributions (Non-Budgeted)				4,933,160	4,933,160
TPAF Pension Contributions (Non-Budgeted)				16,676,200	16,676,200
TPAF Non-Contributory Insurance (Non-Budgeted)				206,573	206,573
TPAF Long-Term Disability Insurance (Non-Budgeted)				8,081	8,081
Reimbursed TPAF Social Security Contributions				3,773,508	3,773,508
Total Revenues from State Sources	24,263,098		24,263,098	51,048,935	26,785,837

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Federal Sources:					
Medicaid Reimbursement	\$ 89,479		\$ 89,479	\$ 56,601	\$ (32,878)
Total Revenues from Federal Sources	89,479		89,479	56,601	(32,878)
TOTAL REVENUE	123,695,441		123,695,441	154,274,614	30,579,173
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	1,340,166	\$ 28,503	1,368,669	1,317,573	51,096
Grades 1-5 - Salaries of Teachers	11,906,755	108,985	12,015,740	11,960,408	55,332
Grades 6-8 - Salaries of Teachers	9,175,194	(254,652)	8,920,542	8,900,827	19,715
Grades 9-12 - Salaries of Teachers	10,262,446	(21,718)	10,240,728	10,192,935	47,793
Regular Programs - Home Instruction:					
Salaries of Teachers	76,000	22,613	98,613	79,949	18,664
Purchased Professional-Educational Services	52,000	(11,613)	40,387	13,200	27,187
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	1,567,990	130,053	1,698,043	1,693,766	4,277
Other Purchased Services (400-500 series)	285,943	(24,172)	261,771	258,730	3,041
General Supplies	1,658,414	(264,058)	1,394,356	1,149,042	245,314
Textbooks	269,268	(21,145)	248,123	212,162	35,961
Other Objects	429,657	927	430,584	379,591	50,993
Total Regular Programs - Instruction	37,023,833	(306,277)	36,717,556	36,158,183	559,373
Special Education - Instruction:					
Learning and/or Language Disabilities - Mild to Moderate:					
Salaries of Teachers	1,016,849	(147,592)	869,257	869,026	231
Other Salaries for Instruction	1,407,506	(680,449)	727,057	698,176	28,881
Purchased Professional-Educational Services	72,270		72,270	66,303	5,967
General Supplies	1,500	1,126	2,626	1,978	648
Textbooks	2,000	(1,126)	874		874
Total Learning and/or Language Disabilities - Mild to Moderate	2,500,125	(828,041)	1,672,084	1,635,483	36,601

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Emotional Regulation Impairment:					
Salaries of Teachers	\$ 620,072	\$ (79,258)	\$ 540,814	\$ 527,527	\$ 13,287
Other Salaries for Instruction	303,009	(74,508)	228,501	214,845	13,656
Purchased Professional-Educational Services	27,650	(4,292)	23,358	19,058	4,300
General Supplies	1,000	233	1,233	750	483
Textbooks	2,500	(1,284)	1,216		1,216
Other Objects	1,000		1,000		1,000
Total Emotional Regulation Impairment	955,231	(159,109)	796,122	762,180	33,942
Multiple Disabilities:					
Salaries of Teachers	288,395	(750)	287,645	287,645	
Other Salaries for Instruction	712,562	10,830	723,392	718,090	5,302
Purchased Professional-Educational Services	45,880	(27)	45,853	41,408	4,445
General Supplies	4,000	(1,453)	2,547	2,396	151
Other Objects	1,000	541	1,541	1,490	51
Total Multiple Disabilities	1,051,837	9,141	1,060,978	1,051,029	9,949
Resource Room/Resource Center:					
Salaries of Teachers	4,539,041	98,964	4,638,005	4,638,005	
Purchased Professional-Educational Services	75,170	13,893	89,063	89,063	
General Supplies	5,000	2,450	7,450	7,438	12
Textbooks	2,000	(1,496)	504	325	179
Total Resource Room/Resource Center	4,621,211	113,811	4,735,022	4,734,831	191
Autism:					
Salaries of Teachers	844,828	(256,480)	588,348	588,348	
Other Salaries for Instruction	1,092,679	(16,096)	1,076,583	1,046,029	30,554
Purchased Professional-Educational Services	114,300	3,075	117,375	111,470	5,905
General Supplies	10,500	7,207	17,707	16,427	1,280
Total Autism	2,062,307	(262,294)	1,800,013	1,762,274	37,739

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 415,524	\$ 1,120	\$ 416,644	\$ 407,960	\$ 8,684
Other Salaries for Instruction	341,474	433	341,907	341,907	
Purchased Professional-Educational Services	32,360	(11,379)	20,981	16,045	4,936
General Supplies	1,000	557	1,557	1,557	
Other Objects	1,000		1,000	1,000	
Total Preschool Disabilities - Part-Time	791,358	(9,269)	782,089	768,469	13,620
Preschool Disabilities - Full-Time:					
Salaries of Teachers	303,764	189,501	493,265	492,780	485
Other Salaries for Instruction	701,681	171,445	873,126	864,306	8,820
Purchased Professional-Educational Services	84,100	1,777	85,877	85,877	
General Supplies	3,000	6,870	9,870	9,719	151
Other Objects	1,000		1,000	1,000	
Total Preschool Disabilities - Full-Time	1,093,545	369,593	1,463,138	1,453,682	9,456
Home Instruction:					
Salaries of Teachers	125,000	4,778	129,778	129,778	
Purchased Professional-Educational Services	140,000	29,557	169,557	168,382	1,175
Total Home Instruction	265,000	34,335	299,335	298,160	1,175
TOTAL SPECIAL EDUCATION - INSTRUCTION	13,340,614	(731,833)	12,608,781	12,466,108	142,673
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	195,913	2,178	198,091	198,091	
General Supplies	4,804	(3,541)	1,263	1,063	200
Other Objects	2,500		2,500	529	1,971
Total Basic Skills/Remedial - Instruction	203,217	(1,363)	201,854	199,683	2,171
Bilingual Education - Instruction:					
Salaries of Teachers	1,352,421	38,805	1,391,226	1,347,060	44,166
General Supplies	31,030	(168)	30,862	20,143	10,719
Other Objects	12,865		12,865	9,643	3,222
Total Bilingual Education - Instruction	1,396,316	38,637	1,434,953	1,376,846	58,107

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	\$ 528,764	\$ 7,129	\$ 535,893	\$ 527,483	\$ 8,410
Supplies and Materials	11,500	19,834	31,334	27,328	4,006
Other Objects	59,659	2,102	61,761	58,219	3,542
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	599,923	29,065	628,988	613,030	15,958
School-Sponsored Athletics - Instruction:					
Salaries	798,880	7,137	806,017	789,330	16,687
Purchased Services (300-500 series)	104,500	23,979	128,479	127,271	1,208
Supplies and Materials	77,071	(6,497)	70,574	70,289	285
Other Objects	70,521	8,147	78,668	77,120	1,548
Total School-Sponsored Athletics - Instruction	1,050,972	32,766	1,083,738	1,064,010	19,728
Summer School - Instruction:					
Salaries of Teachers	72,000	(68,767)	3,233	443	2,790
Total Summer School - Instruction	72,000	(68,767)	3,233	443	2,790
Total Summer School	72,000	(68,767)	3,233	443	2,790
Other Supplemental/At Risk Programs - Instruction:					
Salaries of Teacher Tutors	1,226,834	4,722	1,231,556	1,223,702	7,854
Salaries of Reading Specialists	211,838		211,838	211,838	
Purchased Professional & Technical Services	65,000		65,000	57,698	7,302
General Supplies	500		500		500
Textbooks	1,000		1,000		1,000
Total Other Suppl/At-Risk Prog - Instruction	1,505,172	4,722	1,509,894	1,493,238	16,656
Total Other Supplemental/At-Risk Programs	1,505,172	4,722	1,509,894	1,493,238	16,656
TOTAL INSTRUCTION	55,192,047	(1,003,050)	54,188,997	53,371,541	817,456

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	\$ 136,528	\$ 107,998	\$ 244,526	\$ 176,320	\$ 68,206
Tuition to County Voc. School Dist.-Regular	870,894	156,384	1,027,278	947,144	80,134
Tuition to County Voc. School Dist.-Special	219,139		219,139	211,704	7,435
Tuition to CSSD & Reg. Day Schools	1,859,974	(177,482)	1,682,492	1,483,320	199,172
Tuition to Priv. Sch. for the Handicap. W/I State	4,335,683	(246,900)	4,088,783	3,732,160	356,623
Tuition - State Facilities	4,500		4,500	4,500	
Tuition - Other	164,220		164,220	153,984	10,236
Total Undistributed Expenditures - Instruction	7,590,938	(160,000)	7,430,938	6,709,132	721,806
Undist. Expend. - Attendance and Social Work					
Salaries	170,144	(232)	169,912	169,812	100
Unused Vacation Payment to Terminated/Retired Staff		6,445	6,445	6,445	
Total Undist. Expend. - Attendance and Social Work	170,144	6,213	176,357	176,257	100
Undistributed Expenditures - Health Services:					
Salaries	1,109,081	(39,011)	1,070,070	1,038,835	31,235
Purchased Professional and Technical Services	2,115,152	33,267	2,148,419	2,117,287	31,132
Other Purchased Services (400-500 series)	17,100	20,684	37,784	36,365	1,419
Supplies and Materials	21,300	(5,959)	15,341	8,299	7,042
Supplies - Menstrual Products		409	409	409	
Total Undist. Expenditures - Health Services	3,262,633	9,390	3,272,023	3,201,195	70,828
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	2,238,137	132,123	2,370,260	2,363,392	6,868
Purchased Professional - Educational Services	1,177,805	(69,451)	1,108,354	844,665	263,689
Supplies and Materials	5,000	500	5,500	4,755	745
Total Undist. Expend. - Speech, OT, PT, Related Svcs	3,420,942	63,172	3,484,114	3,212,812	271,302
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.:					
Salaries	1,543,031	593,872	2,136,903	2,051,234	85,669
Purchased Professional - Educational Services	256,170	824	256,994	254,936	2,058
Supplies and Materials	16,400		16,400	13,859	2,541
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	1,815,601	594,696	2,410,297	2,320,029	90,268

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Guidance:					
Salaries of Other Professional Staff	\$ 1,519,569	\$ (5,102)	\$ 1,514,467	\$ 1,484,541	\$ 29,926
Salaries of Secretarial and Clerical Assistants	224,810	10,630	235,440	235,440	
Other Salaries	163,904	19,856	183,760	181,867	1,893
Unused Vacation Payment to Terminated/Retired Staff		450	450	450	
Supplies and Materials	6,000	(1,500)	4,500	2,944	1,556
Other Objects	14,000	5,575	19,575	17,697	1,878
Total Undist Expend. - Guidance	1,928,283	29,909	1,958,192	1,922,939	35,253
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	2,458,599	(8,800)	2,449,799	2,449,799	
Salaries of Secretarial and Clerical Assistants	261,814	(2,879)	258,935	258,935	
Unused Vacation Payment to Terminated/Retired Staff		11,151	11,151	11,151	
Purchased Professional - Educational Services	374,209	(19,955)	354,254	273,488	80,766
Other Purchased Services (400-500 series)	7,500		7,500	4,128	3,372
Supplies and Materials	79,000	8,844	87,844	79,587	8,257
Other Objects	5,200	1,400	6,600	6,119	481
Total Undist Expend. - Child Study Team	3,186,322	(10,239)	3,176,083	3,083,207	92,876
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Other Professional Staff	535,680	17,562	553,242	553,242	
Salaries of Secretarial and Clerical Assistants	105,854	388	106,242	106,242	
Other Salaries	45,000	(1,717)	43,283	40,644	2,639
Unused Vacation Payment to Terminated/Retired Staff		15,506	15,506	15,506	
Sal of Facilitators, Math Coaches & Literacy Coaches	54,180	1,717	55,897	46,996	8,901
Other Purchased Services (400-500 series)	2,500	(264)	2,236	1,289	947
Supplies and Materials	2,190		2,190	1,696	494
Other Objects	2,700	264	2,964	2,957	7
Total Undist. Expend.-Improv. of Inst. Serv.	748,104	33,456	781,560	768,572	12,988
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	449,663	(1,607)	448,056	447,546	510
Salaries of Technology Coordinators	280,956	(1,038)	279,918	279,612	306
Supplies and Materials	54,018	(150)	53,868	52,693	1,175
Total Undist Expend.-Edu. Media Serv./Sch. Library	784,637	(2,795)	781,842	779,851	1,991

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 256,389	\$ (14,780)	\$ 241,609	\$ 217,860	\$ 23,749
Purchased Professional - Educational Service	47,900	25,830	73,730	50,593	23,137
Other Purchased Services (400-500 series)	22,261	(830)	21,431	13,480	7,951
Supplies and Materials	1,000		1,000	106	894
Other Objects	10,100		10,100	4,300	5,800
Total Undist. Expend.-Instructional Staff Training Services	337,650	10,220	347,870	286,339	61,531
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	355,300	(8,833)	346,467	344,946	1,521
Unused Vacation Payment to Terminated/Retired Staff		1,488	1,488	1,488	
Legal Services	256,000	85,000	341,000	264,293	76,707
Audit Fees	55,000		55,000	53,000	2,000
Architectural/Engineering Services	127,533	(28,806)	98,727	55,463	43,264
Other Purchased Professional Services	95,164	16,804	111,968	111,968	
Purchased Technical Services	11,000		11,000	11,000	
Communications / Telephone	173,769	(47,009)	126,760	106,050	20,710
BOE Other Purchased Services	13,000		13,000	5,650	7,350
Other Purch. Serv. (400-500 series other than 530 & 585)	115,107		115,107	98,722	16,385
General Supplies	15,500	(3,227)	12,273	5,120	7,153
Judgments Against The School District	156,700		156,700	93,603	63,097
Miscellaneous Expenditures	46,139	6,470	52,609	51,165	1,444
Total Undist. Expend.-Support Serv.-Gen. Admin.	1,420,212	21,887	1,442,099	1,202,468	239,631
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	3,202,823	76,872	3,279,695	3,279,695	
Salaries of Other Professional Staff	535,680	17,564	553,244	553,244	
Salaries of Secretarial and Clerical Assistants	1,039,975	(9,624)	1,030,351	1,029,347	1,004
Unused Vacation Payment to Terminated/Retired Staff		19,597	19,597	19,597	
Supplies and Materials	19,000	(12,161)	6,839	6,469	370
Other Objects	37,400	(4,546)	32,854	30,618	2,236
Total Undist. Expend.-Support Serv.-School Adm.	4,834,878	87,702	4,922,580	4,918,970	3,610

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 1,591,271	\$ 3,931	\$ 1,595,202	\$ 1,584,407	\$ 10,795
Purchased Professional Services	132,892	51,288	184,180	118,458	65,722
Purchased Technical Services	8,000		8,000		8,000
Miscellaneous Purchased Services (400-500 series other than 594)	65,050	(1,067)	63,983	44,025	19,958
Supplies and Materials	59,300	(4,187)	55,113	16,439	38,674
Other Objects	5,500	173	5,673	5,673	
Total Undist. Expend. - Central Services	1,862,013	50,138	1,912,151	1,769,002	143,149
Undist. Expend. - Admin. Info. Technology:					
Salaries	904,960	(2,747)	902,213	900,617	1,596
Purchased Professional Services	277,210	18,290	295,500	287,890	7,610
Purchased Technical Services	631,527	(102,335)	529,192	511,576	17,616
Other Purchased Services (400-500 series)	172,820	80,003	252,823	144,432	108,391
Supplies and Materials	39,850	(26,000)	13,850	13,845	5
Other Objects	30,000	(29,951)	49	49	
Total Undist. Expend. - Admin. Info. Technology	2,056,367	(62,740)	1,993,627	1,858,409	135,218
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	724,997	42,584	767,581	750,748	16,833
Cleaning, Repair, and Maintenance Services	3,769,787	428,978	4,198,765	3,256,178	942,587
Lead Testing of Drinking Water	2,000	9,530	11,530	11,530	
General Supplies	309,164	18,393	327,557	206,155	121,402
Total Undist. Expend.- Required Maint. for School Facilities	4,805,948	499,485	5,305,433	4,224,611	1,080,822

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 1,189,299	\$ 38,193	\$ 1,227,492	\$ 1,212,821	\$ 14,671
Salaries of Non-Instructional Aides	473,200	28,406	501,606	488,849	12,757
Unused Vacation Payment to Terminated/Retired Staff		397	397	397	
Purchased Professional and Technical Services	104,050	(29,045)	75,005	32,901	42,104
Cleaning, Repair, and Maintenance Services	3,431,378	(200,666)	3,230,712	3,180,869	49,843
Other Purchased Property Services	120,392	2,439	122,831	102,660	20,171
Insurance	777,067	(9,477)	767,590	707,825	59,765
Miscellaneous Purchased Services	50,000		50,000	27,213	22,787
General Supplies	468,555	57,838	526,393	433,986	92,407
Energy (Natural Gas)	720,270	(605)	719,665	415,072	304,593
Energy (Electricity)	1,123,291	605	1,123,896	928,486	195,410
Energy (Gasoline)	106,920		106,920	75,963	30,957
Other Objects	28,500	2,331	30,831	27,391	3,440
Total Undist. Expend.-Custodial Services	8,592,922	(109,584)	8,483,338	7,634,433	848,905
Care and Upkeep of Grounds:					
Salaries	304,114	8,468	312,582	312,582	
Cleaning, Repair, and Maintenance Services	231,190	(56,599)	174,591	118,540	56,051
General Supplies	35,195	17,522	52,717	36,565	16,152
Total Care And Upkeep Of Grounds	570,499	(30,609)	539,890	467,687	72,203
Security:					
Salaries	371,646	19,248	390,894	375,780	15,114
Purchased Professional and Technical Services	199,040		199,040	116,613	82,427
Cleaning, Repair, and Maintenance Services	693,000	56,416	749,416	698,162	51,254
General Supplies	65,000	(5,000)	60,000	50,468	9,532
Other Objects	4,900		4,900	75	4,825
Total Security	1,333,586	70,664	1,404,250	1,241,098	163,152
Total Undist. Expend.-Oper. And Maint. Of Plant Serv.	15,302,955	429,956	15,732,911	13,567,829	2,165,082

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	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.	\$ 343,088	\$ 38,091	\$ 381,179	\$ 365,530	\$ 15,649
Sal. for Pupil Trans. (Bet. Home and Sch.)-Spl. Ed.	389,803	5,712	395,515	379,763	15,752
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	692,063	(1,777)	690,286	683,466	6,820
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	129,708	53,853	183,561	181,443	2,118
Management Fee - ESC&CTSA Transportation Program	106,339		106,339	70,452	35,887
Other Purchased Professional and Technical Services	500		500		500
Cleaning, Repair, and Maint. Services	102,000		102,000	94,824	7,176
Lease Purchase Payments - School Buses	66,446		66,446	66,446	
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	642,000		642,000	635,332	6,668
Contract. Serv.(Bet. Home & Sch.)-Vendors	110,309		110,309	97,107	13,202
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	30,000	(5,000)	25,000	5,000	20,000
Contract. Serv.(Spl. Ed. Students)-Vendors	24,000	15,000	39,000	29,352	9,648
Contract. Serv.(Reg. Students)-ESCs & CTSA	440,823	(15,000)	425,823	272,944	152,879
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA	2,238,700	(47,000)	2,191,700	1,754,288	437,412
Misc. Purchased Serv. - Transportation	72,232	3,960	76,192	75,249	943
General Supplies	3,600		3,600	2,087	1,513
Transportation Supplies	35,000	(4,000)	31,000	18,714	12,286
Other Objects	4,700	40	4,740	4,345	395
Total Undist. Expend.-Student Trans. Serv.	5,431,311	43,879	5,475,190	4,736,342	738,848
UNALLOCATED BENEFITS					
Social Security Contributions	1,611,000		1,611,000	1,540,862	70,138
Other Retirement Contributions - PERS	1,740,661		1,740,661	1,568,885	171,776
Other Retirement Contributions - Regular	279,940		279,940	273,603	6,337
Workers Compensation	530,530	6,126	536,656	536,417	239
Health Benefits	15,049,308	(112,649)	14,936,659	13,486,937	1,449,722
Tuition Reimbursement	60,000		60,000	59,980	20
Other Employee Benefits	21,000	20,735	41,735	33,085	8,650
Unused Sick Payment to Terminated/Retired Staff	150,000		150,000	61,235	88,765
TOTAL UNALLOCATED BENEFITS	19,442,439	(85,788)	19,356,651	17,561,004	1,795,647

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				\$ 4,933,160	\$ (4,933,160)
TPAF Pension Contributions (Non-Budgeted)				16,676,200	(16,676,200)
TPAF Non-Contributory Insurance (Non-Budgeted)				206,573	(206,573)
TPAF Long-Term Disability Insurance (Non-Budgeted)				8,081	(8,081)
Reimbursed TPAF Social Security Contributions				3,773,508	(3,773,508)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				25,597,522	(25,597,522)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 19,442,439	\$ (85,788)	\$ 19,356,651	43,158,526	(23,801,875)
TOTAL UNDISTRIBUTED EXPENDITURES	73,595,429	1,059,056	74,654,485	93,671,879	(19,017,394)
TOTAL GENERAL CURRENT EXPENSE	128,787,476	56,006	128,843,482	147,043,420	(18,199,938)
CAPITAL OUTLAY					
Equipment					
Grades 6-8	4,100	2,714	6,814	2,714	4,100
Grades 9-12	22,580	(5,160)	17,420	16,814	606
Special Education - Instruction:					
Multiple Disabilities		12,560	12,560	12,560	
School-Sponsored and Other Instructional Programs	25,000	19,429	44,429	44,429	
Undistributed:					
Undistributed Expenditures - General Admin.		4,372	4,372	4,372	
Undistributed Expenditures - Admin. Info. Tech.	80,745	185,830	266,575	109,032	157,543
Undist. Expend. - Care and Upkeep of Grounds		116,000	116,000		116,000
Total Equipment	132,425	335,745	468,170	189,921	278,249
Facilities Acquisition and Construction Serv.:					
Construction Services	1,552,589		1,552,589	684,177	868,412
Assessment for Debt Service on SDA Funding	77,256		77,256	77,256	
Total Facilities Acquisition and Const. Serv.	1,629,845		1,629,845	761,433	868,412
Assets Acquired Under Leases (Non-Budgeted):					
Regular Instruction - Equipment				597,562	(597,562)
Total Assets Acquired Under Capital Leases (Non-Budgeted)				597,562	(597,562)
TOTAL CAPITAL OUTLAY	1,762,270	335,745	2,098,015	1,548,916	549,099

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
SPECIAL SCHOOLS					
Other Special Schools - Instruction:					
Salaries of Teachers	\$ 33,574	\$ (14,007)	\$ 19,567	\$ 19,567	
General Supplies	5,100	(5,100)			
Total Other Special Schools - Instruction	38,674	(19,107)	19,567	19,567	
Total Other Special Schools	38,674	(19,107)	19,567	19,567	
Adult Education-Local-Instruction:					
Salaries of Teachers	415,203	28,457	443,660	443,123	\$ 537
Other Salaries for Instruction	362,917	26,849	389,766	389,766	
Purchased Professional and Technical Services	146,352	31,215	177,567	177,217	350
General Supplies	142,339	(46,674)	95,665	95,664	1
Other Objects	147,381	63,316	210,697	210,697	
Total Adult Education-Local-Instruction	1,214,192	103,163	1,317,355	1,316,467	888
Adult Education-Local-Support Serv.:					
Salaries	246,735	5,429	252,164	251,829	335
Purchased Professional and Technical Services	34,884	(15,048)	19,836	17,811	2,025
Other Purchased Services (400-500 series)	142,812	(23,051)	119,761	119,069	692
Other Objects	236,135	(51,387)	184,748	184,748	
Total Adult Education-Local-Support Serv.	660,566	(84,057)	576,509	573,457	3,052
Total Adult Education - Local	1,874,758	19,106	1,893,864	1,889,924	3,940
TOTAL SPECIAL SCHOOLS	1,913,432	(1)	1,913,431	1,909,491	3,940
Transfer of Funds to Charter Schools	69,611		69,611	46,906	22,705
Total Transfer of Funds to Charter Schools	69,611		69,611	46,906	22,705
TOTAL EXPENDITURES	132,532,789	391,750	132,924,539	150,548,733	(17,624,194)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(8,837,348)	(391,750)	(9,229,098)	3,725,881	12,954,979

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Leases (Non-budgeted)				\$ 597,562	\$ (597,562)
Total Other Financing Sources/(Uses)				597,562	(597,562)
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ (8,837,348)	\$ (391,750)	\$ (9,229,098)	4,323,443	13,552,541
Fund Balance, July 1	53,411,912		53,411,912	53,411,912	
Fund Balance, June 30	\$ 44,574,564	\$ (391,750)	\$ 44,182,814	\$ 57,735,355	\$ 13,552,541
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2025-2026				\$ 3,832,927	
Excess Surplus - Restricted For 2026-2027				4,000,000	
Capital Reserve				39,269,377	
Maintenance Reserve				4,427,875	
Emergency Reserve				456,219	
Unemployment Compensation				1,092,397	
Assigned Fund Balance:					
Year End Encumbrances				905,895	
Designated for Subsequent Year's Expenditures				167,073	
Unassigned Fund Balance				3,583,592	
				57,735,355	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(2,138,825)	
Fund Balance per Governmental Funds (GAAP)				\$ 55,596,530	

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 586,968	\$ 586,968	\$ 627,116	\$ 40,148
State Sources	\$ 298,818	365,795	664,613	621,342	(43,271)
Federal Sources	1,940,521	318,050	2,258,571	2,112,500	(146,071)
Total Revenues	2,239,339	1,270,813	3,510,152	3,360,958	(149,194)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	518,925	(108,112)	410,813	383,361	27,452
Purchased Professional and Technical Services	64,308	29,872	94,180	82,298	11,882
Other Purchased Services	1,248,123	183,618	1,431,741	1,431,741	
General Supplies	24,578	115,142	139,720	95,296	44,424
Textbooks	22,211	392	22,603	18,230	4,373
Other Objects		2,425	2,425	1,098	1,327
Total Instruction	1,878,145	223,337	2,101,482	2,012,024	89,458
Support Services:					
Salaries of Other Professional Staff	16,150	26,345	42,495	33,005	9,490
Personal Services - Employee Benefits	31,264	23,905	55,169	31,731	23,438
Purchased Professional and Technical Services	188,519	211,745	400,264	325,552	74,712
Other Purchased Services	32,249	51,561	83,810	60,264	23,546
Supplies and Materials	84,512	(76,850)	7,662	681	6,981
Other Objects	8,500	264,773	273,273	273,273	
Student Activities		541,447	541,447	541,447	
Scholarship		4,550	4,550	4,550	
Total Support Services	361,194	1,047,476	1,408,670	1,270,503	138,167
Total Expenditures	\$ 2,239,339	\$ 1,270,813	\$ 3,510,152	\$ 3,282,527	\$ 227,625
Deficit of Revenue Under Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 78,431	\$ 78,431

FAIR LAWN PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	\$ 154,274,614	\$ 3,360,958
Difference - Budgetary to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	1,966,470	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(2,138,825)	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 154,102,259</u>	<u>\$ 3,360,958</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 150,548,733</u>	<u>\$ 3,282,527</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 150,548,733</u>	<u>\$ 3,282,527</u>

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2025 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.

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, 2025

Elementary and Secondary Education Act						
	Title I	Title I - 2024	Title IIA	Title III	Title III Immigrant	Title IV
REVENUES:						
Local Sources						
State Sources						
Federal Sources	\$ 271,685	\$ 600	\$ 61,079	\$ 44,568	\$ 20,052	\$ 27,682
Total Revenues	271,685	600	61,079	44,568	20,052	27,682
EXPENDITURES:						
Instruction:						
Salaries of Teachers	243,089			35,578	18,713	15,800
Purchased Professional and Technical Services						
Other Purchased Services						
General Supplies		600		1,597		4,525
Textbooks						
Other Objects						
Total Instruction	243,089	600		37,175	18,713	20,325
Support Services:						
Salaries of Other Professional Staff			6,419	66		357
Personal Services - Employee Benefits	18,596		491	2,727	1,339	
Purchased Professional and Technical Services			29,289			7,000
Other Purchased Services			24,880	4,600		
Supplies and Materials						
Other Objects	10,000					
Student Activities						
Scholarship						
Total Support Services	28,596		61,079	7,393	1,339	7,357
Total Expenditures	\$ 271,685	\$ 600	\$ 61,079	\$ 44,568	\$ 20,052	\$ 27,682

FAIR LAWN PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Nonpublic Auxiliary Services Home Instruction	Nonpublic Teacher STEM	Nonpublic Textbooks Aid	Nonpublic Technology Initiative	Nonpublic Nursing Aid	Nonpublic Security Aid
REVENUES:						
Local Sources						
State Sources	\$ 5,204	\$ 35,774	\$ 18,230	\$ 21,475	\$ 63,770	\$ 100,655
Federal Sources						
Total Revenues	5,204	35,774	18,230	21,475	63,770	100,655
EXPENDITURES:						
Instruction:						
Salaries of Teachers		33,232			63,770	
Purchased Professional and Technical Services						
Other Purchased Services						
General Supplies				21,475		
Textbooks			18,230			
Other Objects						
Total Instruction		33,232	18,230	21,475	63,770	
Support Services:						
Salaries of Other Professional Staff						
Personal Services - Employee Benefits		2,542				100,655
Purchased Professional and Technical Services	5,204					
Other Purchased Services						
Supplies and Materials						
Other Objects						
Student Activities						
Scholarship						
Total Support Services	5,204	2,542				100,655
Total Expenditures	\$ 5,204	\$ 35,774	\$ 18,230	\$ 21,475	\$ 63,770	\$ 100,655

FAIR LAWN PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Nonpublic Handicapped Services			I.D.E.A.	
	Examination and Classification	Supplementary Instruction	Corrective Speech	I.D.E.A. Part B, Basic	I.D.E.A. Preschool
REVENUES:					
Local Sources					
State Sources	\$ 70,504	\$ 27,670	\$ 14,787	\$ 1,498,799	\$ 44,655
Federal Sources					
Total Revenues	70,504	27,670	14,787	1,498,799	44,655
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Purchased Professional and Technical Services					
Other Purchased Services				1,387,848	43,893
General Supplies				47,191	762
Textbooks					
Other Objects					
Total Instruction				1,435,039	44,655
Support Services:					
Salaries of Other Professional Staff					
Personal Services - Employee Benefits					
Purchased Professional and Technical Services				63,760	
Other Purchased Services	70,504	27,670	14,787		
Supplies and Materials					
Other Objects					
Student Activities					
Scholarship					
Total Support Services	70,504	27,670	14,787	63,760	
Total Expenditures	\$ 70,504	\$ 27,670	\$ 14,787	\$ 1,498,799	\$ 44,655

FAIR LAWN PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Carl D. Perkins Secondary	A.R.P. Homeless II	A.R.P. ESSER III	Education Stabilization Aid			A.R.P. Evidence Based Comprehensive Beyond the School Day
				A.R.P. Accelerated Learning Coach and Educator Support	A.R.P. Evidence Based Summer Learning and Enrichment	A.R.P. Evidence Based	
REVENUES:							
Local Sources							
State Sources							
Federal Sources							
	\$ 14,330	\$ 327	\$ 35,515	\$ 58,615	\$ 32,565	\$	2,028
Total Revenues	14,330	327	35,515	58,615	32,565		2,028
EXPENDITURES:							
Instruction:							
Salaries of Teachers	221		22,556		29,972		2,028
Purchased Professional and Technical Services	400				300		
Other Purchased Services							
General Supplies	7,225		9,233				
Textbooks							
Other Objects	1,098						
Total Instruction	8,944		31,789		30,272		2,028
Support Services:							
Salaries of Other Professional Staff			1,859	24,304			
Personal Services - Employee Benefits	17		1,867	1,859	2,293		
Purchased Professional and Technical Services	190			6,493			
Other Purchased Services	4,825			25,959			
Supplies and Materials	354	327					
Other Objects							
Student Activities							
Scholarship							
Total Support Services	5,386	327	3,726	58,615	2,293		
Total Expenditures	\$ 14,330	\$ 327	\$ 35,515	\$ 58,615	\$ 32,565	\$	2,028

FAIR LAWN PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	SDA Emergent And Capital Maintenance Needs FY24	SDA Emergent And Capital Maintenance Needs FY23	Student Activities	Scholarships	Local Donations	Totals
REVENUES:						
Local Sources			\$ 617,372	\$ 7,056	\$ 2,688	\$ 627,116
State Sources	\$ 133,280	\$ 129,993				621,342
Federal Sources						2,112,500
Total Revenue	133,280	129,993	617,372	7,056	2,688	3,360,958
EXPENDITURES:						
Instruction:						
Salaries of Teachers						383,361
Purchased Professional and Technical Services						82,298
Other Purchased Services						1,431,741
General Supplies					2,688	95,296
Textbooks						18,230
Other Objects						1,098
Total Instruction					2,688	2,012,024
Support Services:						
Salaries of Other Professional Staff						33,005
Personal Services - Employee Benefits						31,731
Purchased Professional and Technical Services						325,552
Other Purchased Services						60,264
Supplies and Materials						681
Other Objects	133,280	129,993				273,273
Student Activities			541,447			541,447
Scholarship				4,550		4,550
Total Support Services	133,280	129,993	541,447	4,550		1,270,503
Total Expenditures	\$ 133,280	\$ 129,993	\$ 541,447	\$ 4,550	\$ 2,688	\$ 3,282,527

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, 2025

Expenditures:	
Purchased Professional and Technical Services	\$ 103,194
Construction Services	742,113
Total Expenditures	845,307
Deficit of Revenue and Other Financing Sources Under Expenditures	(845,307)
Fund Balance - Beginning of Year	6,110,199
Fund Balance - End of Year	\$ 5,264,892
<u>Recapitulation:</u>	
Committed	\$ 2,308,974
Committed - Year End Encumbrances	2,955,918
Total Fund Balance - Budgetary/GAAP Basis	\$ 5,264,892
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on the GAAP Basis	(1,519,066)
Fund Balance per Governmental Funds (GAAP)	\$ 3,745,826

FAIR LAWN PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
RADBURN ELEMENTARY WINDOW REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Totals	Project Authorization
Revenue and Other Financing Sources:			
State Sources - SDA Grant	\$ 354,880	\$ 354,880	\$ 354,880
Transfer from Capital Reserve	887,200	887,200	887,200
Total Revenue and Other Financing Sources	1,242,080	1,242,080	1,242,080
Expenditures:			
Purchased Professional and Technical Services			60,000
Construction Services			1,182,080
Total Expenditures			1,242,080
Excess of Revenue and Other Financing Sources Over Expenditures	\$ 1,242,080	\$ 1,242,080	\$ -0-

Additional Project Information:

Project Numbers	1450-110-23-G5FT
Grant Date	4/25/2024
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,242,080
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 1,242,080
Percentage Decrease over Original Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	6/30/26
Revised Target Completion Date	N/A

N/A - Not Available/Applicable

FAIR LAWN PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
THOMAS EDISON ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,820,000		\$ 1,820,000	\$ 1,820,000
Total Revenue and Other Financing Sources	1,820,000		1,820,000	1,820,000
Expenditures:				
Purchased Professional and Technical Services	95,972	\$ 32,310	128,282	130,000
Construction Services	862,600	719,235	1,581,835	1,690,000
Total Expenditures	958,572	751,545	1,710,117	1,820,000
Excess of Revenue and Other Financing Sources Over Expenditures	\$ 861,428	\$ (751,545)	\$ 109,883	\$ -0-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,820,000
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 1,820,000
Percentage Decrease over Original Authorized Cost	
Percentage Completion	93.96%
Original Target Completion Date	6/30/26
Revised Target Completion Date	N/A

N/A - Not Available/Applicable

FAIR LAWN PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
HIGH SCHOOL A&C WING ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 524,156		\$ 524,156	\$ 524,156
Transfer from Capital Reserve	1,310,390	\$ 130,100	1,440,490	1,440,490
Total Revenue and Other Financing Sources	1,834,546	130,100	1,964,646	1,964,646
Expenditures:				
Purchased Professional and Technical Services	25,660	\$ 41,506	67,166	90,640
Construction Services				1,874,006
Total Expenditures	25,660	41,506	67,166	1,964,646
Excess of Revenue and Other Financing Sources Over Expenditures	\$ 1,808,886	\$ 88,594	\$ 1,897,480	\$ -0-
<u>Additional Project Information:</u>				
Project Numbers	1450-050-23-G5XW			
Grant Date	04/25/24			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,834,546			
Additional Authorized Cost	\$ 130,100			
Revised Authorized Cost	\$ 1,964,646			
Percentage Increase over Original Authorized Cost	7.09%			
Percentage Completion	3.42%			
Original Target Completion Date	6/30/26			
Revised Target Completion Date	N/A			

N/A - Not Available/Applicable

FAIR LAWN PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
HIGH SCHOOL ROOF TOP UNIT REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 640,030		\$ 640,030	\$ 640,030
Transfer from Capital Reserve	1,600,075	\$ (130,100)	1,469,975	1,469,975
Total Revenue and Other Financing Sources	2,240,105	(130,100)	2,110,005	2,110,005
Expenditures:				
Purchased Professional and Technical Services	42,300	\$ 29,378	71,678	108,000
Construction Services		22,878	22,878	2,002,005
Total Expenditures	42,300	52,256	94,556	2,110,005
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 2,197,805	\$ (182,356)	\$ 2,015,449	\$ -0-
<u>Additional Project Information:</u>				
Project Numbers	1450-050-23-G5XW			
Grant Date	04/25/24			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 2,240,105			
Project Balance Cancelled	(130,100)			
Revised Authorized Cost	\$ 2,110,005			
Percentage Decrease over Original Authorized Cost	-5.81%			
Percentage Completion	4.48%			
Original Target Completion Date	6/30/26			
Revised Target Completion Date	N/A			

N/A - Not Available/Applicable

PROPRIETARY FUNDS

FAIR LAWN PUBLIC SCHOOLS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 3,927,154
Interfund Receivable - General Fund	13,483
Intergovernmental Accounts Receivable:	
State	3,656
Federal	40,043
Other Accounts Receivable	18,976
Inventories	31,619
Total Current Assets	<u>4,034,931</u>
Non-Current Assets:	
Capital Assets	1,263,524
Less: Accumulated Depreciation	<u>(739,759)</u>
Total Non-Current Assets	<u>523,765</u>
Total Assets	<u>4,558,696</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	203,269
Unearned Revenue - Prepaid Sales	<u>103,602</u>
Total Current Liabilities	<u>306,871</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	523,765
Unrestricted	<u>3,728,060</u>
Total Net Position	<u><u>\$ 4,251,825</u></u>

FAIR LAWN PUBLIC SCHOOLS
PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 809,908
Non-Reimbursable Programs	593,066
Other Income	<u>88,331</u>
Total Operating Revenue	<u>1,491,305</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	487,194
Cost of Sales - Non-Reimbursable Programs	356,754
Salaries, Benefits & Payroll Taxes	925,356
Supplies, Insurance and Other Costs	290,761
Management Fee	105,316
Miscellaneous Expenses	16,484
Depreciation Expense	<u>70,613</u>
Total Operating Expenses	<u>2,252,478</u>
Operating Loss	<u>(761,173)</u>
Non-Operating Revenue:	
Local Sources:	
Interest Income	117,872
State Sources:	
State School Breakfast Program	363
State School Lunch Program	30,338
State Extended Income Eligibility - Breakfast	875
State Extended Income Eligibility - Lunch	20,383
Federal Sources:	
School Breakfast Program	13,046
National School Lunch Program	508,790
Summer Electronic Benefit Transfer Program	643
COVID-19 Supply Chain Assistance Award	249,708
Food Distribution Program	<u>139,568</u>
Total Non-Operating Revenue	<u>1,081,586</u>
Change in Net Position	320,413
Net Position - Beginning of Year	<u>3,931,412</u>
Net Position - End of Year	<u><u>\$ 4,251,825</u></u>

FAIR LAWN PUBLIC SCHOOLS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

	<u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 1,481,675
Payments to Food Service Contractor	(1,853,622)
Payments for Suppliers	(113,254)
Net Cash Used for Operating Activities	(485,201)
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(224,997)
Net Cash Used for Capital and Related Financing Activities	(224,997)
Cash Flows from Investing Activities:	
Interest Income	117,872
Net Cash Provided by Investing Activities	117,872
Cash Flows from Noncapital Financing Activities:	
State Sources Collected in Food Service Fund	50,020
Federal Sources Collected in Food Service Fund	506,281
Net Cash Provided by Noncapital Financing Activities	556,301
Net Decrease in Cash and Cash Equivalents	(36,025)
Cash and Cash Equivalents, July 1	3,963,179
Cash and Cash Equivalents, June 30	<u>\$ 3,927,154</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	\$ (761,173)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	70,613
Food Distribution Program	139,568
Changes in Assets and Liabilities:	
Increase in Unearned Revenue - Prepaid Sales	5,791
Increase in Accounts Payable	75,671
(Increase) in Other Accounts Receivable	(17,676)
(Increase) in Inventory	(250)
Decrease in Interfund Receivable - General Fund	2,255
Net Cash Used for Operating Activities	<u>\$ (485,201)</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 \$139,568 and utilized U.S.D.A. Commodities valued at \$139,568.

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, 2024	Matured	Balance June 30, 2025
			Date	Amount				
Various Improvements	1/16/2019	\$ 25,000,000	09/01/25	\$ 810,000	3.125%	\$ 22,175,000	\$ 780,000	\$ 21,395,000
			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%			
Refunding Bonds - 2022	9/9/2021	16,360,000	09/01/39	1,320,000	3.375%	13,710,000	1,805,000	11,905,000
			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%			
			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%						
						\$ 35,885,000	\$ 2,585,000	\$ 33,300,000

FAIR LAWN PUBLIC SCHOOLS
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Purpose	Interest Rate	Original Issue	Issued	Matured	Balance June 30, 2025
Dell Laptops	3.718%	\$ 451,682	\$ 451,682		\$ 451,682
HP Laptops	4.942%	145,880	145,880	\$ 39,150	106,730
			<u>\$ 597,562</u>	<u>\$ 39,150</u>	<u>\$ 558,412</u>

FAIR LAWN PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance Final to Actual
REVENUES:				
Local Sources:				
Local Tax Levy	\$ 2,995,495	\$ 2,995,495	\$ 2,995,495	
State Sources:				
Debt Service Aid Type II	268,042	268,042	268,042	
Total Revenues	3,263,537	3,263,537	3,263,537	
EXPENDITURES:				
Regular Debt Service:				
Interest	923,422	923,422	923,422	
Redemption of Principal	2,585,000	2,585,000	2,585,000	
Total Regular Debt Service	3,508,422	3,508,422	3,508,422	
Total Expenditures	3,508,422	3,508,422	3,508,422	
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(244,885)	(244,885)	(244,885)	
Fund Balance, July 1	417,261	417,261	417,261	
Fund Balance, June 30	\$ 172,376	\$ 172,376	\$ 172,376	\$ -0-
Recapitulation:				
Restricted for Subsequent Year's Expenditures		\$ 172,376	\$ 172,376	

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

Exhibit

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	\$ 14,636,651	\$ 20,463,293	\$ 21,337,572	\$ (883,814)	\$ 18,251,025	\$ 26,301,837	\$ 28,160,397	\$ 35,248,127	\$ 39,239,965	\$ 37,234,804
Restricted	15,904,197	11,650,011	15,183,266	41,080,212	18,953,234	26,188,794	31,354,049	45,299,866	47,779,324	53,829,383
Unrestricted/(Deficit)	(25,407,383)	(28,002,233)	(29,219,934)	(27,457,784)	(14,043,842)	(18,951,689)	(13,576,214)	(16,933,204)	(12,429,600)	(13,478,245)
Total Governmental Activities Net Position	\$ 5,133,465	\$ 4,111,071	\$ 7,300,904	\$ 12,738,614	\$ 23,160,417	\$ 33,538,942	\$ 45,938,232	\$ 63,614,789	\$ 74,589,689	\$ 77,585,942
Business-type Activities										
Investment in Capital Assets	\$ 38,523	\$ 82,056	\$ 102,221	\$ 89,842	\$ 358,185	\$ 396,445	\$ 433,529	\$ 467,454	\$ 369,381	\$ 523,765
Unrestricted	127,725	135,890	128,066	140,735	155,776	743,312	2,313,687	3,646,902	3,562,031	3,728,060
Total Business-type Activities Net Position	\$ 166,248	\$ 217,946	\$ 230,287	\$ 230,577	\$ 513,961	\$ 1,139,757	\$ 2,747,216	\$ 4,114,356	\$ 3,931,412	\$ 4,251,825
District-wide										
Net Investment in Capital Assets	\$ 14,675,174	\$ 20,545,349	\$ 21,439,793	\$ (793,972)	\$ 18,609,210	\$ 26,698,282	\$ 28,593,926	\$ 35,715,581	\$ 39,609,346	\$ 37,758,569
Restricted	15,904,197	11,650,011	15,183,266	41,080,212	18,953,234	26,188,794	31,354,049	45,299,866	47,779,324	53,829,383
Unrestricted/(Deficit)	(25,279,658)	(27,866,343)	(29,091,868)	(27,317,049)	(13,888,066)	(18,208,377)	(11,262,527)	(13,286,302)	(8,867,569)	(9,750,185)
Total District Net Position	\$ 5,299,713	\$ 4,329,017	\$ 7,531,191	\$ 12,969,191	\$ 23,674,378	\$ 34,678,699	\$ 48,685,448	\$ 67,729,145	\$ 78,521,101	\$ 81,837,767

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 35,819,058	\$ 38,117,291	\$ 37,438,179	\$ 48,065,324	\$ 46,849,896	\$ 55,677,358	\$ 54,749,065	\$ 49,269,029	\$ 53,669,611	\$ 54,343,708
Special Education	12,443,461	12,715,896	13,129,926	16,540,953	16,377,808	14,674,477	15,076,034	17,174,905	16,934,097	18,256,998
Other Instr/Other Special Instr/School Sponsored	4,562,451	4,833,316	4,893,759	6,196,327	5,935,676	5,757,641	5,882,926	5,565,332	6,227,907	6,846,476
Support Services:										
Tuition	5,134,290	5,335,118	5,541,479	5,315,138	5,536,028	6,587,564	6,466,431	5,308,183	7,181,244	6,709,132
Student & Instruction Related Services	13,758,505	15,119,459	15,131,415	19,071,032	17,387,288	14,746,055	15,102,661	16,656,891	18,464,276	19,616,994
School Administrative Services	5,168,391	5,385,839	5,811,903	7,568,442	7,043,671	6,878,733	6,666,687	3,039,054	7,250,318	7,012,048
General Administrative Services	4,416,527	4,620,020	4,838,471	6,171,831	5,643,992	1,283,887	1,115,837	4,779,390	1,330,122	1,513,125
Central Services						1,947,107	1,832,331	1,712,196	1,876,255	2,179,479
Administrative Information Technology						1,357,532	1,608,712	1,653,991	1,991,012	2,095,495
Plant Operations and Maintenance	7,588,176	8,240,814	8,329,177	9,621,846	10,377,335	8,056,730	10,472,879	10,644,300	13,856,926	14,820,629
Pupil Transportation	3,168,343	3,446,392	3,524,337	4,128,775	3,561,612	3,424,197	4,133,570	4,921,689	5,527,258	5,976,838
Capital Outlay								77,256	77,256	77,256
Special Schools	2,060,396	2,171,074	2,210,842	2,790,394	2,419,087	706,519	1,477,180	1,682,766	1,846,062	1,903,232
Charter Schools	68,124	47,813	35,860	39,057	70,538	107,676	109,989	33,725	59,961	46,906
SDA Debt Service Assessment	77,256	77,256	77,256	77,256	77,256					
Interest on Long-term Debt	903,555	871,099	834,542	1,108,332	1,580,028	1,487,149	1,115,348	1,072,138	999,729	966,734
Total Governmental Activities Expenses	\$ 95,168,533	\$ 100,981,387	\$ 101,797,146	\$ 126,694,707	\$ 122,860,215	\$ 122,692,625	\$ 125,809,650	\$ 123,590,845	\$ 137,292,034	\$ 142,365,050
Business-type Activities:										
Food Service	\$ 1,218,615	\$ 1,192,192	\$ 1,283,132	\$ 1,453,483	\$ 1,081,748	\$ 3,940,871	\$ 4,698,176	\$ 4,229,349	\$ 2,277,451	\$ 2,252,478
Total Business-type Activities Expense	1,218,615	1,192,192	1,283,132	1,453,483	1,081,748	3,940,871	4,698,176	4,229,349	2,277,451	2,252,478
Total District Expenses	\$ 96,387,148	\$ 102,173,579	\$ 103,080,278	\$ 128,148,190	\$ 123,941,963	\$ 126,633,496	\$ 130,507,826	\$ 127,820,194	\$ 139,569,485	\$ 144,617,528
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition						\$ 313,730	\$ 214,634	\$ 453,558	\$ 235,537	\$ 278,345
Student & Instruction Related Services						227,886	380,937	487,586	564,910	624,428
Pupil Transportation							81,740	88,813	90,137	90,897
Special Schools	\$ 42,578	\$ 41,784	\$ 47,823	\$ 50,027	\$ 38,799	95,944	1,226,334	2,340,762	2,333,488	2,667,543
Interest on Long Term Debt	1,819,694	1,991,471	2,187,782	2,499,782	1,841,004					
Operating Grants and Contributions	903,556	871,099	796,196	1,069,596	1,405,364					
Total Governmental Activities Program Revenues	\$ 13,148,767	\$ 13,474,730	\$ 13,192,383	\$ 37,204,406	\$ 33,525,538	\$ 33,517,526	\$ 33,085,500	\$ 26,240,937	\$ 26,354,026	\$ 23,569,551
Business-type Activities:										
Charges for Services:										
Food Service	\$ 891,362	\$ 926,787	\$ 966,603	\$ 1,089,577	\$ 685,145	\$ 12,603	\$ 257,955	\$ 1,216,345	\$ 1,415,034	\$ 1,491,305
Operating Grants and Contributions - Food Service	337,110	316,935	328,432	361,944	408,263	4,472,777	6,043,675	4,364,068	632,262	963,714
Total Business-type Activities Program Revenues	\$ 1,228,472	\$ 1,243,722	\$ 1,295,035	\$ 1,451,521	\$ 1,093,408	\$ 4,485,380	\$ 6,301,630	\$ 5,580,413	\$ 2,047,296	\$ 2,455,019
Total District Program Revenues	\$ 17,143,067	\$ 17,622,806	\$ 17,519,219	\$ 42,275,332	\$ 37,904,113	\$ 38,640,466	\$ 41,290,775	\$ 35,192,069	\$ 31,625,394	\$ 29,685,783

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue:										
Governmental Activities	\$ (79,253,938)	\$ (84,602,303)	\$ (85,572,962)	\$ (85,870,896)	\$ (86,049,510)	\$ (88,537,539)	\$ (90,820,505)	\$ (93,979,189)	\$ (107,713,936)	\$ (115,134,286)
Business-type Activities	9,857	51,530	11,903	(1,962)	11,660	544,509	1,603,454	1,351,064	(230,155)	202,541
Total District-wide Net Expense	<u>\$ (79,244,081)</u>	<u>\$ (84,550,773)</u>	<u>\$ (85,561,059)</u>	<u>\$ (85,872,858)</u>	<u>\$ (86,037,850)</u>	<u>\$ (87,993,030)</u>	<u>\$ (89,217,051)</u>	<u>\$ (92,628,125)</u>	<u>\$ (107,944,091)</u>	<u>\$ (114,931,745)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 79,519,827	\$ 81,768,743	\$ 86,248,924	\$ 89,318,034	\$ 91,051,016	\$ 92,788,775	\$ 92,788,775	\$ 94,644,551	\$ 95,590,997	\$ 96,546,907
Taxes Levied for Debt Service	686,140	691,363	773,154	(100,636)	953,980	2,736,035	2,600,812	2,600,812	2,472,266	2,995,495
Unrestricted Grants and Contributions	411,673	553,755	967,762	1,164,308	1,872,513	2,788,269	6,608,547	12,083,024	14,566,360	15,002,751
Tuition	433,008	300,271	300,763							
Investment Earnings	122,177	90,352	300,133	752,161	848,216	193,246	57,173	103,268	2,914,605	271,729
Miscellaneous Income	267,401	175,425	172,058	174,740	405,216	489,728	1,164,488	2,224,091	433,795	3,313,657
Adjustment to Capital Assets	2,985,343					(79,989)				
Transfer - Capital Contributions										
Total Governmental Activities	<u>84,425,569</u>	<u>83,579,909</u>	<u>88,762,794</u>	<u>91,308,607</u>	<u>95,130,941</u>	<u>98,916,064</u>	<u>103,219,795</u>	<u>111,655,746</u>	<u>115,978,023</u>	<u>118,130,539</u>
Business-type Activities:										
Investment Earnings	\$ 163	\$ 167	\$ 439	\$ 2,252	\$ 2,351	\$ 1,298	\$ 4,005	\$ 16,076	\$ 95,095	\$ 117,872
Transfer - Capital Contributions						79,989				
Total Business-type Activities	<u>163</u>	<u>167</u>	<u>439</u>	<u>2,252</u>	<u>2,351</u>	<u>81,287</u>	<u>4,005</u>	<u>16,076</u>	<u>95,095</u>	<u>117,872</u>
Total District-wide	<u>\$ 84,425,732</u>	<u>\$ 83,580,076</u>	<u>\$ 88,763,233</u>	<u>\$ 91,310,859</u>	<u>\$ 95,133,292</u>	<u>\$ 98,997,351</u>	<u>\$ 103,223,800</u>	<u>\$ 111,671,822</u>	<u>\$ 116,073,118</u>	<u>\$ 118,248,411</u>
Change in Net Position										
Governmental Activities	\$ 5,171,631	\$ (1,022,394)	\$ 3,189,832	\$ 5,437,711	\$ 9,081,431	\$ 10,378,525	\$ 12,399,290	\$ 17,676,557	\$ 8,264,087	\$ 2,996,253
Business-type Activities	10,020	51,697	12,342	290	14,011	625,796	1,607,459	1,367,140	(135,060)	320,413
Total District	<u>\$ 5,181,651</u>	<u>\$ (970,697)</u>	<u>\$ 3,202,174</u>	<u>\$ 5,438,001</u>	<u>\$ 9,095,442</u>	<u>\$ 11,004,321</u>	<u>\$ 14,006,749</u>	<u>\$ 19,043,697</u>	<u>\$ 8,129,027</u>	<u>\$ 3,316,666</u>

Source: School District Financial Reports

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

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	\$ 6,356,885	\$ 7,048,718	\$ 10,736,858	\$ 13,173,242	\$ 18,213,443	\$ 24,625,410	\$ 30,028,584	\$ 44,155,656	\$ 46,862,282	\$ 53,078,795
Assigned	4,456,844	4,189,994	4,280,700	7,527,975	11,567,947	6,870,680	8,142,328	3,228,241	1,957,848	1,072,968
Unassigned	2,946,275	3,176,842	2,807,118	2,881,514	2,764,365	6,313,909	5,676,068	3,124,939	2,625,312	1,444,767
Total General Fund	\$ 13,760,004	\$ 14,415,554	\$ 17,824,676	\$ 23,582,731	\$ 32,545,755	\$ 37,809,999	\$ 43,846,980	\$ 50,508,836	\$ 51,445,442	\$ 55,596,530
All Other Governmental Funds										
Restricted	\$ 2,209,965	\$ 1,896,777	\$ 1,766,869	\$ 2,520,953	\$ 2,399,860	\$ 1,563,384	\$ 1,325,465	\$ 1,144,210	\$ 917,042	\$ 750,588
Committed									4,591,133	3,745,826
Assigned	4,699,194	321,447	189,727	21,275,335	3,108,315					
Total All Other Governmental Funds	\$ 6,909,159	\$ 2,218,224	\$ 1,956,596	\$ 23,796,288	\$ 5,508,175	\$ 1,563,384	\$ 1,325,465	\$ 1,144,210	\$ 5,508,175	\$ 4,496,414
Total Governmental Funds	\$ 20,669,163	\$ 16,633,778	\$ 19,781,272	\$ 47,379,019	\$ 38,053,930	\$ 39,373,383	\$ 45,172,445	\$ 51,653,046	\$ 56,953,617	\$ 60,092,944

Source: School District Financial Reports

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	\$ 81,109,522	\$ 83,331,205	\$ 87,818,274	\$ 90,286,995	\$ 93,410,361	\$ 95,524,810	\$ 95,389,587	\$ 97,245,363	\$ 98,063,263	\$ 99,542,402
Tuition Charges	433,009	300,271	300,763	340,933	329,482	313,730	214,634	453,558	235,537	278,345
Rents and Royalties								26,938	26,938	26,013
Transportation Fees from LEAs	42,578	41,784	47,823	50,028	38,798		81,740	88,813	90,137	90,897
Interest Earnings	122,177	90,352	300,133	752,160	848,216	47,524	54,459	103,268	266,844	271,729
Miscellaneous	2,130,969	2,336,202	2,407,005	2,909,522	2,165,986	961,119	2,798,541	5,057,079	5,980,613	6,582,303
State Sources	11,815,445	12,168,792	12,461,816	22,368,810	24,076,951	29,945,602	38,993,239	45,246,884	49,271,521	51,765,964
Federal Sources	1,701,120	1,690,387	1,651,165	1,671,374	1,864,315	2,341,301	4,183,785	3,018,775	3,291,324	2,169,101
Total Revenue	97,354,820	99,958,993	104,986,979	118,379,822	122,734,109	129,134,086	141,715,985	151,213,740	157,226,177	160,726,754
Expenditures										
Instruction										
Regular Instruction	25,954,458	26,880,045	26,693,485	28,118,004	29,472,096	32,446,373	35,080,213	33,895,115	35,858,677	37,351,259
Special Education Instruction	9,381,061	9,314,439	9,711,778	10,097,091	10,578,463	9,181,054	10,408,903	13,090,177	12,275,537	14,009,562
Other Special Instruction/School Sponsored/Other Instruction	3,439,297	3,540,498	3,615,467	3,732,685	3,814,233	3,579,431	3,988,811	4,181,199	4,381,657	4,747,250
Support Services:										
Tuition		5,335,118	5,541,479	5,315,138	5,536,028	6,587,564	6,466,431	5,308,183	7,181,244	6,709,132
Student & Other Instruction Related Services	10,414,047	11,231,373	11,507,741	12,054,284	11,794,551	12,306,444	13,459,016	14,686,920	15,597,301	16,297,198
School Administrative Services	3,806,874	3,829,819	4,192,198	4,351,319	4,357,450	4,308,603	4,489,303	4,588,721	4,826,074	4,918,970
General Administrative Services	3,622,293	3,710,081	3,918,149	4,277,562	3,919,847	1,014,227	893,026	848,695	1,201,062	1,202,468
Central Services						1,612,770	1,627,130	1,422,705	1,490,089	1,769,002
Administrative Information Technology						1,214,761	1,510,895	1,506,460	1,782,609	1,858,409
Plant Operations and Maintenance	6,577,385	7,113,896	7,190,404	7,557,721	8,543,879	7,467,736	9,968,482	9,924,088	11,047,272	13,567,829
Student Transportation	2,538,882	2,746,973	2,861,312	3,104,567	2,698,560	3,540,604	3,719,335	4,390,659	4,623,552	4,736,342
Unallocated Benefits	18,928,909	19,776,309	21,020,713	29,169,534	28,042,465	32,627,744	37,737,038	39,143,328	41,513,109	43,158,526
Special Schools	1,695,518	1,743,801	1,775,260	1,921,467	1,718,367	706,519	1,477,180	1,682,766	1,814,621	1,909,491
Transfer of Funds to Charter School	68,124	47,813	35,860	39,057	70,538	107,676	109,989	33,725	59,961	46,906
Capital Outlay	8,054,140	6,544,444	1,540,061	3,641,330	20,143,864	6,910,995	1,231,093	6,436,798	4,723,093	2,394,223
Debt Service:										
Principal	1,265,000	1,365,000	1,385,000	1,440,000	1,500,000	2,230,000	2,480,000	2,565,000	2,590,000	2,585,000
Interest and Other Charges	914,957	882,865	850,577	806,928	1,645,680	1,513,865	1,270,078	1,028,600	959,748	923,422
Total Expenditures	96,660,945	104,062,474	101,839,484	115,626,687	133,836,021	127,356,366	135,916,923	144,733,139	151,925,606	158,184,989
Excess/(Deficit) of Revenues Over/(Under) Expenditures	693,875	(4,103,481)	3,147,495	2,753,135	(11,101,912)	1,777,720	5,799,062	6,480,601	5,300,571	2,541,765

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other Financing Sources/(Uses)										
N.J.S.D.A. Grants				\$ (469,358)	\$ (249,248)					
Leases/Financed Purchases (non-budgeted)		\$ 68,095		243,970	407,820					\$ 597,562
Serial Bond Proceeds				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	\$ 6,350,040	
Transfers In	\$ 527,883	608,098	\$ 611,671	1,375,088	984,665	\$ 848,498	(840,014)	(723,647)	(6,350,040)	
Transfers Out	(527,883)	(608,098)	(611,671)	(1,375,088)	(984,665)	(848,498)	(840,014)			
Capital Contributions - Food Service Fund						(79,989)				
Total Other Financing Sources/(Uses)		68,095		24,774,612	158,572	(79,989)				597,562
Net Change in Fund Balances	\$ 693,875	\$ (4,035,386)	\$ 3,147,495	\$ 27,527,747	\$ (10,943,340)	\$ 1,697,731	\$ 5,799,062	\$ 6,480,601	\$ 5,300,571	\$ 3,139,327
Debt Service as a Percentage of Noncapital Expenditures	2.46%	2.31%	2.23%	2.01%	2.77%	3.11%	2.78%	2.60%	2.41%	2.25%

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						
2016	\$ 94,294	\$ 433,009	\$ 42,578	\$ 1,819,694				\$ 267,401	\$ 2,656,976
2017	82,254	300,271	41,784	1,991,472				175,425	2,591,206
2018	288,462	300,763	47,823	2,187,782				172,058	2,996,888
2019	608,206	340,933	50,028	2,499,781				303,165	3,802,113
2020	561,849	329,483	38,798	2,473,304				305,236	3,708,670
2021	193,246	313,730		95,944			\$ 373,587	56,305	1,032,812
2022	174,673	214,634	81,740	1,836,313			129,781	297,694	2,734,835
2023	1,682,364	453,558	88,813	2,363,545			536,118	78,508	5,202,906
2024	2,914,605	235,537	90,137	2,333,488		\$ 26,938	191,589	207,459	5,999,753
2025	2,662,224	278,345	90,897	2,667,543		26,013	323,235	573,914	6,622,171

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)
2015	\$ 12,589,500	\$ 3,318,936,900	\$ 498,705,500	\$ 201,810,800	\$ 134,921,200	\$ 4,166,963,900	\$ 926	\$ 4,166,964,826	\$ 1.92	\$ 4,526,605,525
2016	12,667,000	3,328,302,400	502,855,500	205,199,400	134,921,200	4,183,945,500	907	4,183,946,407	1.97	4,641,094,795
2017	13,370,300	3,340,673,200	502,687,100	203,678,900	134,621,200	4,195,030,700	885	4,195,031,585	2.04	4,768,965,051
2018	18,573,200	3,352,911,500	500,578,700	204,925,300	134,621,200	4,211,609,900	840	4,211,610,740	2.11	5,094,484,812
2019	23,854,900	3,367,452,900	496,056,100	204,844,600	134,621,200	4,226,829,700	827	4,226,830,527	2.17	5,114,103,907
2020	21,173,100	3,401,156,900	492,311,000	204,094,600	134,621,200	4,253,356,800	811	4,253,357,611	2.22	5,270,522,364
2021	17,326,900	3,426,753,300	489,600,700	204,120,100	134,621,200	4,272,422,200	789	4,272,422,989	2.23	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	2.23	5,709,850,905
2023	19,975,000	3,490,200,600	500,589,900	186,661,100	142,491,000	4,339,917,600	699	4,339,918,299	2.25	6,238,577,220
2024	60,089,100	3,503,195,700	522,695,500	155,187,300	140,371,200	4,381,538,800	640	4,381,539,440	2.26	6,882,035,280

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	
2015	\$ 1.832	\$ 0.088	\$ 1.920	\$ 0.897	\$ 0.261	\$ 3.078
2016	1.875	0.090	1.965	0.900	0.272	3.137
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	2.173	0.061	2.234	0.901	0.320	3.455
2022	2.172	0.060	2.232	0.902	0.319	3.453
2023	2.194	0.057	2.251	0.900	0.344	3.495
2024	2.187	0.068	2.255	0.928	0.366	3.549

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	2024		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Fair Lawn Promenade, LLC	\$ 51,573,600	1	1.18%
Fair Lawn Estates Assoc. LLC	44,202,700	2	1.01%
CLPF Greek Fair Lawn, LLC	34,746,300	4	0.79%
Fair Lawn Associates c/o Affiliated Management	34,589,000	3	0.79%
Columbia Savings Bank	21,957,100	5	0.50%
Bon-Marc Realty Co LLC/R Goldschmid	17,964,400	6	0.41%
H'Y2 Route 208 LLC	17,594,900	7	0.40%
Oster Fair Lawn Properties LLC	17,458,700	10	0.40%
SL 20-21 Wagaraw Road I & II LLC	17,044,300	8	0.39%
TC/CSL Fair Lawn Senior Living LLC	16,263,900	9	0.37%
Total	<u>\$ 273,394,900</u>		<u>6.24%</u>

Taxpayer	2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Fair Lawn Estates Assoc. LLC	\$ 44,202,700	1	1.06%
Fair Lawn Promenade, LLC	40,854,700	2	0.98%
Fair Lawn Associates c/o Affiliated Management	34,589,000	3	0.83%
Mondelez Global LLC	29,319,600	4	0.70%
Columbia Savings Bank	21,968,800	5	0.53%
Bon Marc Realty Co., LLC	20,256,000	6	0.49%
17-17 Realty Associates LLC	18,000,000	7	0.43%
Fair Lawn Industries, LP	14,475,900	8	0.35%
Noble I/HY Fair Lawn, LLC	13,200,500	9	0.32%
Oster Fair Lawn Properties, LLC	13,076,900	10	0.31%
	<u>\$ 249,944,100</u>		<u>6.00%</u>

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	
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-
2024	98,063,263	98,063,263	100.00%	-0-
2025	99,542,402	99,542,402	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		Bond Anticipation Notes (BANs)	Business-Type Activities			
			Purchase Agreements	Agreements					
2016	\$ 25,602,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 25,602,000	1.00%	\$ 773.80
2017	24,237,000	-0-	68,095	-0-	-0-	-0-	24,305,095	0.93%	735.49
2018	22,852,000	-0-	54,476	-0-	-0-	-0-	22,906,476	0.85%	691.89
2019	46,412,000	-0-	236,033	-0-	-0-	-0-	46,648,033	1.64%	1,414.18
2020	44,912,000	-0-	550,493	-0-	-0-	-0-	45,462,493	1.55%	1,382.17
2021	42,682,000	-0-	-0-	-0-	-0-	-0-	42,682,000	1.41%	1,298.23
2022	41,040,000	-0-	-0-	-0-	-0-	-0-	41,040,000	1.20%	1,167.27
2023	38,475,000	-0-	-0-	-0-	-0-	-0-	38,475,000	1.12%	1,090.59
2024	35,885,000	-0-	-0-	-0-	-0-	-0-	35,885,000	0.99%	1,009.03
2025	33,300,000	-0-	-0-	-0-	-0-	-0-	33,300,000	0.89%	912.60

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		
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
2024	35,885,000	-0-	35,885,000	0.83%	1,009.03
2025	33,300,000	-0-	33,300,000	0.76%	912.60

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, 2024
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	\$ 47,857,068	100.000%	\$ 47,857,068
Bergen County General Obligation Debt	1,042,720,595	3.025%	31,546,478
Subtotal, Overlapping Debt			79,403,546
Fair Lawn Public Schools Direct Debt			35,105,000
Total Direct and Overlapping Debt			<u>\$ 114,508,546</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.

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

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

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

Year	Population ^a	Borough of Fair Lawn Income Personal Income ^b	Bergen County Per Capita Personal Income ^c	Unemployment Rate ^d
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	3,426,931,502	97,138	3.20%
2023	35,564	3,635,672,156	102,229	3.50%
2024	36,489	3,730,233,981 ***	102,229 *	3.80%
2025	36,489 **	3,730,233,981 ***	102,229 *	N/A

* - Latest Bergen County per capita personal income available (2023) was used for calculation purposes.

** - Latest population data available (2024) was used for calculation purposes.

*** - Latest available population data (2024) and latest available Bergen County per capita personal income (2023) 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	2024		Percentage of Total Employment
	Employees	Rank	
Hackensack University Medical Center	N/A	1	N/A
Valley Health Systems, Inc.	N/A	2	N/A
Bio-Reference Laboratories	N/A	3	N/A
Express Scripts	N/A	4	N/A
Quest Diagnostics	N/A	5	N/A
KPMG LLP	N/A	6	N/A
Englewood Hospital and Medical	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
Total Employment	<u>521,596</u>		<u>N/A</u>

Employer	2015		Percentage of Total Employment
	Employees	Rank	
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
Total Employment	<u>468,537</u>		<u>N/A</u>

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Instruction										
Regular	357	359	302	303	314	327	353	359	362	364
Special education	122	123	102	133	113	149	175	176	179	178
Other instruction	20	20	35	41	43	43	34	30	26	31
Support Services:										
Student & instruction related services	12	12	111	137	233	129	133	133	140	149
School administrative services	68	68	37	38	38	37	35	35	39	39
General administrative services	45	45	14	13	2	3	2	2	2	2
Central Services	5	5	4	4	15	15	14	14	14	15
Administrative information technology	6	6	11	13	15	14	10	10	11	12
Plant operations and maintenance	32	31	42	41	39	28	31	26	30	33
Pupil transportation	5	5	18	23	18	8	33	33	35	32
Special Schools			21	11	8	8	3	3	3	2
Total	<u>672</u>	<u>674</u>	<u>697</u>	<u>757</u>	<u>838</u>	<u>761</u>	<u>823</u>	<u>821</u>	<u>841</u>	<u>857</u>

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) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary ^e	Middle School ^e	Senior High School				
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%
2024	5,492	143,652,765	26,157	6.45%	530	9.09	11.65	10.21	5,499.6	5,209.2	0.00%	94.72%
2025	5,454	152,282,344	27,921	6.75%	498	11.21	8.83	12.98	5,517.4	5,240.9	-0.32%	94.99%

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Elementary Schools</u>										
Henry B Milnes (1951)										
Square Feet	47,880	47,880	47,880	47,880	47,880	47,020	47,020	47,020	47,020	47,020
Capacity	395	395	395	395	395	414	414	414	414	414
Enrollment	453	501	477	500	520	419	421	429	390	389
John A Forrest										
Square Feet	46,400	46,400	46,400	46,400	46,400	42,515	42,515	42,515	42,515	42,515
Capacity	286	286	286	286	286	291.6	291.6	291.6	291.6	291.6
Enrollment	270	292	286	286	324	260	266	272	261	258
Lyncrest (1952)										
Square Feet	27,937	27,937	27,937	27,937	27,937	27,811	27,811	27,811	27,811	27,811
Capacity	234	234	234	234	234	207	207	207	207	207
Enrollment	233	232	251	261	255	210	207	207	197	184
Radburn (1933)										
Square Feet	51,740	51,740	51,740	51,740	51,740	52,300	52,300	52,300	52,300	52,300
Capacity	351	351	351	351	351	351.9	351.9	351.9	351.9	351.9
Enrollment	457	480	457	455	460	350	358	392	422	443
Warren Point (1922)										
Square Feet	39,945	39,945	39,945	39,945	39,945	49,656	49,656	49,656	49,656	49,656
Capacity	466	466	466	466	466	399.6	399.6	399.6	399.6	399.6
Enrollment	416	427	461	471	489	410	404	393	399	390
Westmoreland (1958)										
Square Feet	29,517	46,068	46,068	46,068	46,068	46,345	46,345	46,345	46,345	46,345
Capacity	246	324	324	324	324	315	315	315	315	315
Enrollment	384	291	310	401	346	298	309	321	318	289

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Middle School</u>										
Thomas Jefferson School (1953)										
Square Feet	94,139	94,139	94,139	94,139	94,139	124,910	124,910	124,910	124,910	124,910
Capacity	662	662	662	662	662	1,039.2	1,039.2	1,039.2	1,039.2	1,039.2
Enrollment	680	707	724	737	751	1,037	1,068	1,140	1,145	1,100
Memorial Middle School (1958)										
Square Feet	94,560	94,560	94,560	94,560	94,560	105,081	105,081	105,081	105,081	105,081
Capacity	466	466	466	466	466	735	735	735	735	735
Enrollment	485	464	426	457	464	639	628	628	646	654
<u>High School</u>										
Fair Lawn High School (1943)										
Square Feet	243,066	243,066	243,066	243,066	243,066	250,402	250,402	250,402	250,402	250,402
Capacity	1,637	1,637	1,637	1,637	1,637	1,819	1,819	1,819	1,819	1,819
Enrollment	1,451	1,447	1,479	1,486	1,534	1,553	1,578	1,621	1,632	1,676
<u>Other</u>										
Edison School (1955)										
Square Feet	47,335	47,335	47,335	47,335	47,335	37,839	37,839	37,839	37,839	37,839
Capacity	9	9	9	9	9	96	96	96	96	96
Enrollment	85	70	67	70	73	66	68	79	82	71
Number of Schools at June 30, 2025										
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
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
2024	2,180,876	755,843	218,753	196,077	95,259	93,386	123,859	208,086	249,546	142,924	97,143
2025	4,224,611	2,117,520	223,497	276,858	363,056	118,575	373,812	188,267	117,577	98,170	347,279

* 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, 2025
UNAUDITED

	<u>Coverage</u>		<u>Deductible</u>
Utica National Insurance Group:			
School Package Policy:			
Blanket Building and Contents	\$ 280,741,974		\$ 5,000
Extra Expense	1,000,000		
Earthquake	10,000,000		
Flood	5,015,000		
Commercial Liability:			
Bodily Injury and Property Damage	1,000,000/3,000,000	Each Occurrence/Aggregate	
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	25,000,000		
Environmental Liability - Beazley	1,000,000	Each Loss	10,000
Firemen's Fund:			
Catastrophe Access Plan	30,000,000		
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	525,000	Selective Insurance Group	
Treasurer of School Moneys	525,000	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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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, and each major fund 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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2025.

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.

November 20, 2025
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

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



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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Fair Lawn Public Schools's (the District's) 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 fiscal year ended June 30, 2025. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200. *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

The Honorable President and Members
of the Board of Education
Fair Lawn Public Schools
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Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

November 20, 2025
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, 2025

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2024			Repayment of Prior Years' Balances	Balance at June 30, 2025	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor		Cash Received	Budgetary Expenditures
U.S. Department of Agriculture:										
Food Service Fund:										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
Food Distribution Program	10.555	N/A	7/1/24-6/30/25	\$ 139,568					\$ 139,568	\$ (38,846)
National School Lunch Program	10.555	N/A	7/1/24-6/30/25	508,790					469,944	
National School Lunch Program	10.555	N/A	7/1/23-6/30/24	403,868	\$ (22,980)				22,980	
School Breakfast Program	10.553	N/A	7/1/24-6/30/25	13,046					11,849	(13,046)
School Breakfast Program	10.553	N/A	7/1/23-6/30/24	13,000	(865)				865	
COVID 19 - Supply Chain Assistance	10.555	N/A	7/1/23-6/30/25	128,751		\$ 128,751			(128,751)	
COVID 19 - Supply Chain Assistance	10.555	N/A	7/1/22-6/30/25	250,299		120,957			(120,957)	
Total Child Nutrition Cluster					(23,845)	249,708			645,206	(40,043)
Summer Electronic Benefit Transfer	10.646	N/A	7/1/24-6/30/25	653					643	
Total U.S. Department of Agriculture/Food Service Fund					(23,845)	249,708			645,849	(40,043)
U.S. Department of Education:										
Special Revenue Fund:										
Passed-through State Department of Education:										
Elementary and Secondary Education Act:										
Title I	84.010	ESEA145025	7/1/24-9/30/25	292,233					221,686	(49,999)
Title I	84.010	ESEA145024	7/1/23-9/30/24	483,322	(72,457)			\$ (1)	73,058	
Total Title I					(72,457)			(1)	294,744	(49,999)
Title IIA	84.367	ESEA145025	7/1/24-9/30/25	135,325					50,616	(10,463)
Title IIA	84.367	ESEA145024	7/1/23-9/30/24	127,043	(11,751)				11,751	
Title IIA	84.367	ESEA145023	7/1/22-9/30/23	158,640			\$ 120			
Total Title II					(11,751)		120		62,367	\$ 120
Title III	84.365	ESEA145025	7/1/24-9/30/25	52,187			120		37,908	(10,463)
Title III	84.365	ESEA145024	7/1/23-9/30/24	57,079	(586)				586	(6,660)
Total Title III					(586)				38,494	(6,660)
Title III - Immigrant	84.365	ESEA145025	7/1/24-9/30/25	20,143					17,184	(2,868)
Title III - Immigrant	84.365	ESEA145024	7/1/23-9/30/24	19,804	(4,560)				4,560	
Total Title III - Immigrant					(4,560)				21,744	
Title IV	84.424	ESEA145025	7/1/24-9/30/25	37,898	(4,560)				27,325	(2,868)
Total Title IV									27,325	(357)
Total Elementary and Secondary Education Act					(89,354)		120	(1)	444,674	(70,347)

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2024			Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2025	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable	Amounts Provided to Subrecipients
U.S. Department of Education: (Continued)											
Special Revenue Fund: (Continued)											
Passed-through State Department of Education: (Continued)											
Education Stabilization Fund: (Cont'd)											
COVID-19 - ARP - Homeless II	84.425W	N/A	4/23/21-9/30/24	\$ 34,487	\$ (9,390)			\$ 9,717	\$ (327)		
Total Education Stabilization Fund					(37,543)			166,593	(129,050)		
Special Education Cluster (IDEA):											
I.D.E.A. Part B, Basic	84.027	IDEA145025	7/1/24-9/30/25	1,509,514				1,453,316	(1,498,799)	\$ (45,483)	
I.D.E.A. Part B, Basic	84.027	IDEA145024	7/1/23-9/30/24	1,486,650	(253,785)			253,785			
I.D.E.A. Preschool	84.173	IDEA145025	7/1/24-9/30/25	44,684				44,632	(44,655)	(23)	
I.D.E.A. Preschool	84.173	IDEA145024	7/1/23-9/30/24	46,781	(46,781)			46,781			
Total Special Education Cluster (IDEA)					(300,566)			1,798,514	(1,543,454)	(45,506)	
Carl D. Perkins - Secondary	84.048	PERK145025	7/1/24-6/30/25	25,557				14,013	(14,330)	(317)	
Carl D. Perkins - Secondary	84.048	PERK145024	7/1/23-6/30/24	24,500	(935)			935			
Total Even Start Family Literacy					(935)			14,948	(14,330)	(317)	
Total U.S. Department of Education					(428,398)		\$ 120	2,424,729	(2,112,500)	(116,170)	
U.S. Department of Treasury:											
Passed-through State Department of Education:											
Special Revenue Fund:											
ACSEERS	21.027	N/A	7/1/23-6/30/24	581,222	(343,683)			343,683			
Total U.S. Department of Treasury					(343,683)			343,683			
Total Special Revenue Fund					(772,081)		120	2,768,412	(2,112,500)	(116,170)	
U.S. Department of Health and Human Services:											
General Fund:											
Medicaid Cluster:											
Medicaid Assistance Program	93.778	N/A	7/1/24-6/30/25	56,601				56,601	(56,601)		
Total U.S. Department of Health and Human Services/Total Medicaid Cluster								56,601	(56,601)		
Total Federal Awards					\$ (795,926)	\$ 249,708	\$ 120	\$ 3,470,862	\$ (3,080,856)	\$ (156,213)	\$ -0-

N/A - Not Applicable

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

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Project Number	Grant or State	Grant Period	Award Amount	Balance at June 30, 2024		Repayment of Prior Years' Balances	Adjustment	Balance at June 30, 2025		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	25-495-034-5120-078		7/1/24-6/30/25	\$ 13,896,502	\$ (13,896,502)	\$ 12,573,783			\$ (1,322,719)		\$ (1,322,719)	\$13,896,502
Transportation Aid	25-495-034-5120-014		7/1/24-6/30/25	1,286,009	(1,286,009)	1,163,602			(122,407)		(122,407)	1,286,009
Special Education Aid	25-495-034-5120-089		7/1/24-6/30/25	6,571,879	(6,571,879)	5,946,344			(625,535)		(625,535)	6,571,879
Security Aid	25-495-034-5120-084		7/1/24-6/30/25	716,128	(716,128)	647,964			(68,164)		(68,164)	716,128
Extraordinary Special Education Costs Aid	25-495-034-5120-044		7/1/24-6/30/25	2,591,601	(2,591,601)				(2,591,601)		(2,591,601)	2,591,601
Homeless Tuition Reimbursement	25-495-034-5120-005		7/1/24-6/30/25	91,387	(91,387)				(91,387)		(91,387)	91,387
Nonpublic Transportation Aid	25-495-034-5120-014		7/1/24-6/30/25	297,498	(297,498)				(297,498)		(297,498)	297,498
Menstrual Product Reimbursement	N/A		7/1/24-6/30/25	409	(409)				(409)		(409)	409
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003		7/1/24-6/30/25	3,773,508	(3,773,508)	3,585,919			(187,589)		(187,589)	3,773,508
Equalization Aid	24-495-034-5120-078		7/1/23-6/30/24	13,845,996	\$ (1,320,711)	1,320,711						13,845,996
Transportation Aid	24-495-034-5120-014		7/1/23-6/30/24	840,898	(80,210)	80,210						840,898
Special Education Aid	24-495-034-5120-089		7/1/23-6/30/24	5,465,031	(521,286)	521,286						5,465,031
Security Aid	24-495-034-5120-084		7/1/23-6/30/24	464,041	(44,263)	44,263						464,041
Extraordinary Special Education Costs Aid	24-495-034-5120-044		7/1/23-6/30/24	2,572,742	(2,572,742)	2,572,742						2,572,742
Homeless Tuition Reimbursement	24-495-034-5120-005		7/1/23-6/30/24	211,708	(211,708)	211,708						211,708
Nonpublic Transportation Aid	24-495-034-5120-014		7/1/23-6/30/24	275,284	(275,284)	178,176						275,284
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003		7/1/23-6/30/24	3,615,127	(178,176)	4,933,160						3,615,127
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001		7/1/24-6/30/25	4,933,160	(4,933,160)							4,933,160
On-Behalf TPAF Pension Contributions	25-495-034-5094-002		7/1/24-6/30/25	16,676,200	(16,676,200)							16,676,200
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004		7/1/24-6/30/25	206,573	(206,573)							206,573
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004		7/1/24-6/30/25	8,081	(8,081)							8,081
Subtotal - General Fund					(5,204,380)	50,946,006			(3,168,484)		(5,307,309)	78,339,762
Special Revenue Fund Aid:												
Nonpublic Auxiliary Services:												
Home Instruction	25-100-034-5120-067		7/1/24-6/30/25	5,204								5,204
Compensatory Education	24-100-034-5120-067		7/1/23-6/30/24	5,394		\$ 3,776	\$ 3,776		(5,204)		(5,204)	1,618
Nonpublic Handicapped Services:												
Supplementary Instruction	25-100-034-5120-066		7/1/24-6/30/25	34,692		34,692				\$ 7,022		27,670
Supplementary Instruction	24-100-034-5120-066		7/1/23-6/30/24	32,462			3,635					28,827
Corrective Speech	25-100-034-5120-066		7/1/24-6/30/25	22,320		22,320				7,533		14,787
Examination and Classification	24-100-034-5120-066		7/1/23-6/30/24	18,600			4,557					14,043
N.J. Nonpublic Textbook Aid	25-100-034-5120-066		7/1/24-6/30/25	77,530		77,530				7,026		70,504
N.J. Nonpublic Textbook Aid	24-100-034-5120-066		7/1/23-6/30/24	70,090			31,810					38,280
N.J. Nonpublic Textbook Aid	25-100-034-5120-066		7/1/24-6/30/25	22,603		22,603				4,373		18,230
N.J. Nonpublic Textbook Aid	24-100-034-5120-066		7/1/23-6/30/24	26,130			2,297					23,833
N.J. Nonpublic Nursing Aid	25-100-034-5120-070		7/1/24-6/30/25	63,830		63,830				60		63,770
N.J. Nonpublic Technology Initiative	25-100-034-5120-373		7/1/24-6/30/25	21,658		21,658				183		21,475
N.J. Nonpublic Technology Initiative	24-100-034-5120-373		7/1/23-6/30/24	22,148			3,816					18,332
N.J. Nonpublic Security Aid	25-100-034-5120-509		7/1/24-6/30/25	100,655		100,655						100,655
School Development Authority -												
Emergent and Capital Maintenance Needs Program	N/A		7/1/23-6/30/25	133,280		133,280						133,280
School Development Authority -												
Emergent and Capital Maintenance Needs Program	N/A		7/1/22-6/30/25	129,993		129,993						129,993
N.J. Nonpublic Teacher STEM	25-100-034-5120-509		7/1/24-6/30/25	52,848		16,321			(19,453)		(19,453)	35,774
N.J. Nonpublic Teacher STEM	24-100-034-5120-509		7/1/23-6/30/24	48,195	(18,055)	18,076		\$ (21)				48,195
Subtotal - Special Revenue Fund					(18,055)	49,891	49,891	(21)	(24,657)	26,197	(24,657)	794,470

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024		Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	Balance at June 30, 2025		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	25-100-034-5120-125	7/1/24-6/30/25	\$ 268,042			\$ 268,042	\$ (268,042)						\$ 268,042
Subtotal - Debt Service Fund						268,042	(268,042)						268,042
Food Service Fund:													
State School Lunch Program	25-100-010-3350-023	7/1/24-6/30/25	30,338			28,329	(30,338)			\$ (2,009)		\$ (2,009)	30,338
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	24,766	\$ (1,382)		1,382							24,766
State School Lunch Extended Income Eligibility	25-100-010-3350-023	7/1/24-6/30/25	20,383			18,835	(20,383)			(1,548)		(1,548)	20,383
State School Lunch Extended Income Eligibility	24-100-010-3350-023	7/1/23-6/30/24	5,132	(289)		289							5,132
State School Breakfast Program	25-100-010-3350-021	7/1/24-6/30/25	363			345	(363)			(18)		(18)	363
State School Breakfast Program	24-100-010-3350-021	7/1/23-6/30/24	462	(26)		26				(81)		(81)	462
State School Breakfast Extended Income Eligibility	25-100-010-3350-021	7/1/24-6/30/25	875			794	(875)						875
State School Breakfast Extended Income Eligibility	24-100-010-3350-021	7/1/23-6/30/24	298	(20)		20							298
Subtotal - Food Service Fund				(1,717)		50,020	(51,959)			(3,656)		(3,656)	82,617
Total State Department of Education				(5,224,152)	\$ 49,891	\$ 51,905,026	(51,990,278)	\$ (21)	\$ 49,891	(3,196,797)	\$ 26,197	(5,335,622)	79,484,891
Total State Awards				\$ (5,224,152)	\$ 49,891	\$ 51,905,026	\$ (51,990,278)	\$ (21)	\$ 49,891	\$ (3,196,797)	\$ 26,197	\$ (5,335,622)	\$ 79,484,891
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Pension System Contributions:	25-495-034-5094-001	7/1/24-6/30/25	(4,933,160)				\$ 4,933,160						
On-Behalf TPAF Pension System Contributions	25-495-034-5094-002	7/1/24-6/30/25	(16,676,200)				16,676,200						
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	(206,573)				206,573						
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	(8,081)				8,081						
Subtotal - On-Behalf TPAF Pension System Contributions							21,824,014						
Total State Awards Subject to Single Audit Major Program Determination							\$ (30,166,264)						

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, 2025

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, 2025. 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. Grant revenue in the capital projects fund is recognized on the budgetary basis in the fiscal year of award but is not recognized on the GAAP basis until expended and submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$172,355) for the general fund and \$-0- for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Revenue from federal and state awards is reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

FAIR LAWN PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

	Federal	State	Total
General Fund	\$ 56,601	\$ 50,876,580	\$ 50,933,181
Special Revenue Fund	2,112,500	621,342	2,733,842
Debt Service Fund		268,042	268,042
Food Service Fund	911,755	51,959	963,714
Total Awards	<u>\$ 3,080,856</u>	<u>\$ 51,817,923</u>	<u>\$ 54,898,779</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, 2025.

NOTE 7. NJ SCHOOL DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has been awarded three grants in the amount of \$1,519,066 in the Capital Projects Fund from the New Jersey School Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2025, \$-0- of the grant funds have been expended and drawn down on a GAAP basis. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures, if any, reported under NJSDA on the Schedule of Expenditures of State Awards represents reimbursement requests submitted to the NJSDA.

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____ Yes	_____ X	No
2.) Significant deficiencies identified?	_____ Yes	_____ X	None reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ X	No

Federal Awards

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____ Yes	_____ X	No
2.) Significant deficiencies identified?	_____ Yes	_____ X	None reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ X	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?			
	_____ Yes	_____ X	No

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Special Education Cluster (IDEA):					
I.D.E.A. Part B, Basic	84.027	7/1/24	9/30/25	\$ 1,509,514	\$ 1,498,799
I.D.E.A. Preschool	84.173	7/1/24	9/30/25	44,684	44,655

Dollar threshold used to distinguish between Type A and B programs

\$ 750,000

Auditee qualified as low-risk auditee?

_____ X Yes

_____ No

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

K-6

State Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

1.) Material weakness identified? Yes X No
2.) Significant deficiencies identified? Yes X None reported

Noncompliance material to basic financial statements noted? Yes X No

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?

 Yes X No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Equalization Aid	25-495-034-5120-078	7/1/24	6/30/25	\$ 13,896,502	\$ 13,896,502
Special Education Aid	25-495-034-5120-089	7/1/24	6/30/25	6,571,879	6,571,879
Security Aid	25-495-034-5120-084	7/1/24	6/30/25	716,128	716,128

Dollar threshold used to distinguish between Type A and B programs \$ 904,988

Auditee qualified as low-risk auditee? Yes X No

Section II - Financial Statement Findings - N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A

FAIR LAWN PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings:

There were no prior year findings.