COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

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

For the Fiscal Year Ended June 30, 2010

Prepared by

Borough of Fair Lawn Board of Education
Finance Department

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN SCHOOL DISTRICT

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BOROUGH OF FAIR LAWN SCHOOL DISTRICT

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Introductory Section

Board of Education
Fair Lawn School District

October, 2010

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

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Fair Lawn School District (District) for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2010 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments, and nonprofit organizations" and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for students with disabilities. The District completed the 2009-2010 year with an enrollment of 4,750

students. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2009-2010	4,750	- (.080%)
2008-2009	4,789	(.21%)
2007-2008	4,799	.52%
2006-2007	4,774	2.34%
2005-2006	4,665	(2.25%)
2004-2005	4,770	0.65%
2003-2004	4,739	30%
2002-2003	4,725	1.16%
2001-2002	4,671	1.48%
2000-2001	4,603	. 27%

2. ECONOMIC CONDITIONS AND OUTLOOK

Fair Lawn is mostly a residential community which also contains some industry where the top ten (10) business tax payers offer employment from 100 employees per company to 2,000 per company.

The attractive 173 acre Industrial Park in Fair Lawn has often been referred to as the "Fabulous mile." The "PARK," established in 1955, contributes substantial tax revenue, because of its location, does not affect the residential character of the Borough. Light industry plants are located in other thoughtfully zoned areas.

Among the prime occupants of Fair Lawn's industrial area are such well known industry giants as National Biscuit & Kraft Foods, Inc., Columbia Bank Corporate Headquarters, Prime Hospitality Corp., 15-01 Pollitt Drive LLC (formally) Polevoy Associates) and others of equal and lesser stature.

Fair Lawn's excellent location in the New York/New Jersey metropolitan area, the availability of convenient transportation, the favorable municipal tax structure and the multitude of social, educational and cultural services, have created a desirable atmosphere for attracting industry to locate within its borders.

Located within easy access to New York City, the district, which is coterminous with Fair Lawn Borough, serves a mature residential area, with above average wealth statistics. School enrollment has remained relatively stable the last few years.

The majority of Fair Lawn residents occupy single family dwellings. There are also available in the Borough two family homes, apartments and townhouses. Housing is well maintained in all areas of the Borough. While older Cape Cod style homes sell for $400,000-$450,000, new ranch, split level and colonial style homes may sell higher.

The Radburn section of the Borough, developed before the Second World War, 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.

3. MAJOR INITIATIVES

Students continued to score above the State and national averages on the California Achievement Tests. Fair Lawn High School Seniors (2010) recorded their average Scholastic Aptitude Test (SAT) scores at 20 points writing and 20 points math above the national average and even on the critical reading national average and 22 points math and 15 points writing and 6 points critical reading above the state average.

Ninety five percent (95%) of our 2010 graduates went on to higher education with sixty nine percent (69%) attending four year institutions.

In 2009-2010 the dropout rate was .004% percent of the Fair Lawn High School population.

4. INTERNAL ACCOUNTING CONTROLS

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

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

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

5. BUDGETARY CONTROLS

In addition to internal accounting controls the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. 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 re appropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2010.

6. ACCOUNTING SYSTEM AND REPORTS

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

7. DEBT ADMINISTRATION

At June 30, 2010, the District's outstanding debt issues which include the Serial Bonds Issued of $21,622,000 and Loans Payable of $180,332. In April 1994, the District experienced a successful $3,000,000 Bond Referendum. Bond sale was held on October 3, 1994. The proceeds of this bond issue were placed in the District's capital projects fund for use to provide funds for the re-roofing of the District's school buildings, The pay down of this outstanding debt began during the 1995-1996 school year and will end July 15, 2013. In March 2004, the District achieved another bond referendum for a total of $23,662,000. The proceeds of this bond issue were designed for various school building improvements. The pay down of this outstanding debt began during the 2005-2006 school year and will end February 15, 2030.

8. CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act. During the 1993-94 fiscal year, the Board approved extending their official Depositories to include the New Jersey Cash Management Fund.

The Fund was established in 1977 and is invested by the Division of Investment of the Treasury Department under the jurisdiction of the State Investment Council. In November 1977, legislation was enacted (P.L. 1977, C.281) which permits counties, municipalities, and school districts to participate

9 RISK MANAGEMENT

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

10. OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of T.M. Vrabel & Associates LL.C, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS

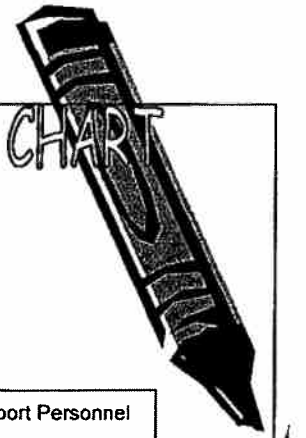
We would like to express our appreciation to the members of the Fair Lawn School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The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

Respectfully submitted,

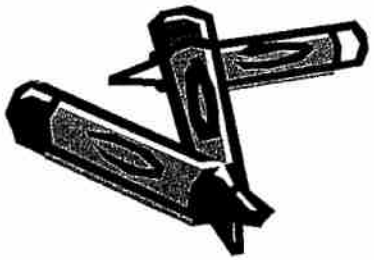
Bruce Watson
Superintendent of Schools

Joanne Wilson
Business Administrator/
Board Secretary

FAIR LAWN PUBLIC SCHOOLS ORGANIZATION CHART



- Board of Education
  - Superintendent
    - Support Personnel
    - Director Human Resources
      - Support Personnel
    - Director Special Education
      - Support Personnel
        - Child Study Teams
    - Principals
      - Teachers
        - Support Personnel
          - Athletic Director Phys Ed Supervisor (9-12)
      - Support Personnel
        - Education Technology Specialist
          - Professional Development Personnel
            - Subject Supervisors
              - Language arts.....Literacy Specialists
Science.....Ed Tech.....Health & Phys(k-8)
World Languages.....ESL.....Music
Mathematics....Business..Mathematics Specialist
Social Studies.....Art
Health & Phys. Ed. (9-12)
    - Assistant Superintendent Education
      - Technology Systems Administrator
        - Technician
          - District AV
    - School Business Administrator / Board Secretary
      - Support Personnel
      - Assistant Business Administrator
        - Central Office Staff
          - Support Personnel
      - Transportation Supervisor
        - Bus Drivers
          - Support Personnel
      - Administrative Business Aide
      - Supervisor Buildings & Grounds
        - Support Personnel
          - Custodians
            - Maintenance Foreman
              - Maintenance Staff
      - Director Community School
        - Support Personnel



Revised

9/2010

THE BOARD OF EDUCATION OF
THE BOROUGH OF FAIR LAWN SCHOOL DISTRICT
IN THE COUNTY OF BERGEN, NEW JERSEY

Members of the Board of Education		Term Expires
EUGENE BANTA	PRESIDENT	2012
MICHAEL ROSENBERG	VICE-PRESIDENT	2013
RONALD BARBARULO	MEMBER	2012
ELYSS FRENKEL	MEMBER	2011
JOSHUA GILLENSON	MEMBER	2012
JOHN L. MANCINELLI	MEMBER	2011
MARY MONAHAN WALLACE	MEMBER	2013
CINDY JO YUSKAITIS	MEMBER	2013
LISA YOURMAN	MEMBER	2011

♦OTHER OFFICIALS♦

BRUCE WATSON, SUPERINTENDENT		
JOANNE WILSON, BUSINESS ADMINISTRATOR/BOARD SECRETARY		
KAREN PALERMO, TREASURER OF SCHOOL MONEYS		
PAUL GREEN ESQ. SCHENCK, PRICE, SMITH & KING, LLP	FLORHAM PARK, NEW JERSEY	BOARD ATTORNEY
T.M. VRABEL & ASSOCIATES, LLC	DENVILLE, NEW JERSEY	BOARD AUDITOR

BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

Architects/Engineers

LAN Associates, Incorporated
445 Godwin Avenue
Midland Park, N.J. 07432

Energy for America, Incorporated
42 Roseland Avenue
Roseland, N.J. 07068-1246

Audit Firm

T. M. Vrabel & Associates, LLC
170 East Main Street
P.O. Box 541
Denville, N.J. 07834

Attorneys

Schenck, Price, Smith & King, LLP
220 Park Avenue
Florham Park, N.J. 07932

Official Depository

Columbia Savings Bank
19-01 Route 208 North
Fair Lawn, N.J. 07410

Financial Section

Independent Auditor's Report

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Fair Lawn School District as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Fair Lawn School District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Fair Lawn School District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 24, 2010 on our consideration of the Borough of Fair Lawn School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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The Management's Discussion and Analysis on page 14 through 20 and budgetary comparison information on schedules C-1 and C-2 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our Audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Fair Lawn School District's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Timothy M. Vrabel
Public School Accountant
License No. CS000698

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

September 24, 2010

REQUIRED SUPPLEMENTARY INFORMATION - PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Fair Lawn School District financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the transmittal letter on page 1 and the District's financial statements, which begin on page 23.

FINANCIAL HIGHLIGHTS

The District's total net assets increased $536,000 or 3.65 percent as a result of this year's operations mainly because of the increase in capital assets. This year the District continues to recognize capital assets based on original cost less depreciation. (Table I)

Total cost of all of the District's programs was $88,021,000 in 2009-2010 compared to $85,904,000 in 2008-2009. (Table II)

During the year, the District had expenses for governmental activities that were $1,237,000 more than the $87,522,000 generated in tax and other program revenues (Table III).This deficit in revenues was due to capital project expenditures of $972,000 which had no off-setting revenues and the use of surplus of $653,000 to fund expenditures which is not recognized as a revenue under generally accepted accounting principles.

USING THIS ANNUAL REPORT

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

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 18. The fund financial statements begin on page 27 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State law. The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

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

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

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or *fiduciary*, for the Unemployment Compensation Trust, Scholarship Funds and Agency Funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 35 and 36. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

The District's *combined* net assets changed from a year ago, increasing from $14,678,000 to $15,214,000. Looking at the net assets and net expenses of governmental and business-type activities separately, different stories emerge. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental and business-type activities as of June 30, 2010.

Table 1
Net Assets (in Thousands)

	Governmental Activities		Business-type Activites		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	4,253	5,654	208	147	4,461	5,801
Long term receivables	224	371			224	371
Capital assets	34,161	33,299	36	39	34,197	33,338
Total assets	38,638	39,324	244	186	38,882	39,510
Long-term debt outstanding	22,485	23,386			22,485	23,386
Other liabilities	1,109	1,435	74	11	1,183	1,446
Total liabilities	23,594	24,821	74	11	23,668	24,832
Net assets:						
Invested in capital assets, net of debt	12,359	10,560	36	39	12,395	10,599
Restricted	1,356	1,929			1,356	1,929
Unrestricted (deficit)	1,329	2,014	134	136	1,463	2,150
Total net assets	15,044	14,503	170	175	15,214	14,678

Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – decreased $687,000. Restricted net assets, those restricted mainly for capital projects decreased by $573,000. This reflects mainly a decrease in encumbrances and Capital Reserve funds. Capital assets reflect the original cost of land, buildings, and equipment less the accumulated depreciation. The long term outstanding debt includes the District bonds, leases, loans and compensated absences . The District remains financially stable with an unrestricted balance of $1,329,000 which reflects the District's free balance minus the allowance for potential compensated absences.

Table 2
Changes in Net Assets (in thousands)

	Governmental Activities		Business-type Activites		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for Services	2,604	2,932	900	989	3,504	3,921
Operating Grants and Contributions	12,743	12,338	275	237	13,018	12,575
General revenues:					-	-
Property Taxes	69,811	67,131			69,811	67,131
Tuition	439	413			439	413
Federal and State Aid	1,653	1,430			1,653	1,430
Interest and Investment Earnings	188	298	1	1	189	299
Other General Revenues	85	1,137	-	-	85	1,137
Adjustment to Capital Assets	1,039	-	-	-	1,039	-
Total Revenues:	88,562	85,679	1,176	1,227	89,738	86,906
Program expenses including indirect expenses						
Instruction:						
Regular	33,681	32,452			33,681	32,452
Special	10,417	9,035			10,417	9,035
Other instruciton	4,242	3,503			4,242	3,503
Support services:					-	-
Tuition	4,153	3,994			4,153	3,994
Student and instruction related services	12,201	12,691			12,201	12,691
School administrative services	4,980	4,732			4,980	4,732
General and business administrative services	3,934	4,596			3,934	4,596
Plant operations and maintenance	7,797	8,141			7,797	8,141
Pupil transportation	2,667	2,622			2,667	2,622
Special schools	2,921	3,119			2,921	3,119
Charter Schools	55	10			55	10
Interest on long-term debt	973	1,009			973	1,009
Business-type activities:					-	-
Food Services	-	-	1,181	1,208	1,181	1,208
Total Expenses	88,021	85,904	1,181	1,208	89,202	87,112
Increase (Decrease) in Net Assets	541	(225)	(5)	19	536	(206)

The district as a whole provides services for the students of Fair Lawn based on a budget voted on annually in April. The budget is consistent with guidelines of the CEIFA law, combining core curriculum and financial accountability. The assets are consistent with equalized tax assessment of property which combines industrial, municipal, and residential assets of the district.

The district outlook reflects a community without additional land to develop and therefore expects to maintain its' current asset base, based on student population. The total revenues, exclusive of the Capital Assets adjustment, increased by approximately $1,844,000, which reflects an increase mainly in property taxes and a decrease in operating grants and contributions. On the expenditure side, the difference in expenditures represents increases in salaries, health and ancillary benefits. The increase in Special Schools expenses are reflective of additional services and programs provided to the Fair Lawn residents.

THE DISTRICT'S FUNDS
Governmental Activities

Table 3
Information below compares revenues and expenditures for all governmental fund types for 2009-2010 and 2008-2009.

($000 omitted) Revenues by Source:	2009-2010	2008-2009	% Change
Local Tax Levy	70,784	68,139	3.88%
Tuition Charges	439	413	6.30%
Transportation Fees	37	37	0.00%
Interest Earned to Investments	188	298	-36.91%
Miscellaneous	1,773	2,721	-34.84%
Total - Local Sources	73,221	71,608	2.25%
State Sources	11,688	12,187	-4.09%
Federal Sources	2,613	1,517	72.25%
Total Revenues	87,522	85,312	2.59%

Expenditures by Function:	2009-2010	2008-2009	% Change
Current:			
Regular Instruction	24,082	23,901	0.76%
Special education	8,056	6,947	15.96%
Other instruction	3,129	2,657	17.76%
Support Services and undistributed costs:			
Tuition	4,153	3,994	3.98%
Student and instruction related services	9,158	9,805	-6.60%
School administrative services	3,526	3,520	0.17%
General and Business administrative services	3,147	3,957	-20.47%
Plant operations and maintenance	6,271	6,696	-6.35%
Pupil transportation	2,127	2,217	-4.06%
Employee Benefits	19,709	17,438	13.02%
Capital Outlay	1,087	1,000	8.70%
Special Schools	2,336	2,584	-9.60%
Charter Schools	55	10	
Debt Service	1,923	1,916	0.37%
Total Expenditures	88,759	86,642	2.44%

The District relies on the municipality to collect local tax levy in support of the budget approved by the voters. The District also relies on the continued support of categorical state aid based on student need and financial formulas. Federal support for the district is reflected in the IDEA and NCLB grants. The district is capable of generating limited revenue by earned interest, transportation fees, tuition charges and miscellaneous revenue. The district maintains an active Community School which is very successful in providing optional and convenient programs for both students and adults. This program is service oriented using the educational facilities of the district. Based on the district's commitment to state compliance regarding curriculum standards and other student needs, 85% of the budget is expended on salaries and benefits. Capital outlay represents 1.22% of the total expenditures. This reflects a minimum standard to maintain our current facilities. The District's debt service reflects 2.16% of the total expenditures.

Business-type Activities

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

Table 4

($000 omitted)

	Food Service
Total Assets	244
Net Assets	170
Change in Net Assets	-5
Return on Ending Total Assets	-2.05%
Return on Ending Net Assets	-2.94%

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets
Table 5

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

	Governmental Activities		Business-type Activites		Totals	
	2010	2009	2010	2009	2010	2009
Land	614	614			614	614
Land Improvements	2,080	1,858			2,080	1,858
Buildings	46,628	43,696			46,628	43,696
Machinery and Equipment	6,013	7,365	227	224	6,240	7,589
Construction-in-progress	-	-	-	-	-	-
Subtotal	55,335	53,533	227	224	55,562	53,757
Accumulated Depreciation	(21,174)	(20,234)	(191)	(185)	(21,365)	(20,419)
Totals	34,161	33,299	36	39	34,197	33,338

DEBT

At year – end the District had total debt of $ 21,803,000 outstanding versus $22,740,000 last year – a decrease of 4.1% – as shown in Table 6.

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

	Governmental Activities	
	2010	2009
Serial Bonds	21,622	22,517
Loans	180	222
Authorized but not Issued	1	1
	21,803	22,740

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

BUDGETS

The significant variances between the originally adopted budget for the 2009-2010 year and the final budget were caused by the treatment of encumbrances that are added to the original budget and the appropriation of additional revenues and surplus. In addition, transfers are made during the year to cover necessary expenditures without causing any budgetary line to have a negative balance.

The final expenditures of the 2009-2010 budget reflected the need to transfer from surplus to the following areas: Health Benefits. The District's unreserved surplus was 1.57% of the budgetary expenditures after all adjustments were executed. The District remains in a stable financial position.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

Section A

DISTRICT – WIDE FINANCIAL STATEMENTS

Exhibit A-1

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,779,165.80	$ 108,971.98	$ 1,888,137.78
Receivables, net	2,437,954.78	102,929.04	2,540,883.82
Interfunds receivable	9,624.45		9,624.45
Inventory		7,951.14	7,951.14
Prepaid expenses	15,784.90		15,784.90
Restricted assets:			
Cash and cash equivalents	116,758.08		116,758.08
Capital reserve account - cash	117,477.52		117,477.52
Capital assets, net (Note III:C.):	34,161,267.71	35,645.62	34,196,913.33
Total Assets	38,638,033.24	255,497.78	38,893,531.02
LIABILITIES			
Accounts payable	175,859.57	73,958.84	249,818.41
Payable to federal government	60.75		60.75
Payable to state government	65,333.24		65,333.24
Bond and loan interest payable	353,429.07		353,429.07
Deferred revenue	511,997.79		511,997.79
Other	2,660.92		2,660.92
Noncurrent liabilities (Note IV:B.):			
Due within one year	1,184,672.93		1,184,672.93
Due beyond one year	21,299,741.52	-	21,299,741.52
Total liabilities	23,593,755.79	73,958.84	23,667,714.63
NET ASSETS			
Invested in capital assets, net of related debt	12,358,935.76	35,645.62	12,394,581.38
Restricted for:			
Capital projects	171,449.57		171,449.57
Debt service	(329,003.14)		(329,003.14)
Other purposes	1,513,737.67		1,513,737.67
Unrestricted	1,329,157.59	145,893.32	1,475,050.91
Total Net Assets	$ 15,044,277.45	$ 181,538.94	$ 15,225,816.39

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

Exhibit A-2

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental activities:							
Instruction:							
Regular	$ 33,680,890.85	$ -	$ 2,612,254.06	$ -	$ (31,068,636.79)	$ -	$ (31,068,636.79)
Special education	10,417,029.62		4,065,719.95		(6,351,309.67)		(6,351,309.67)
Other instruction	4,242,269.36		279,574.43		(3,962,694.93)		(3,962,694.93)
Support services:							
Tuition	4,152,946.08		2,738,201.96		(1,414,744.12)		(1,414,744.12)
Student and instruction related services	12,200,992.70		1,172,257.35		(11,028,735.35)		(11,028,735.35)
School administrative services	4,979,802.36		347,918.57		(4,631,883.79)		(4,631,883.79)
General and business administrative services	3,934,086.49		186,094.99		(3,747,991.50)		(3,747,991.50)
Plant operations and maintenance	7,796,910.31		379,103.26		(7,417,807.05)		(7,417,807.05)
Pupil transportation	2,667,032.13	37,674.00	813,100.12		(1,816,258.01)		(1,816,258.01)
Special schools	2,920,547.33	1,593,438.49	148,534.80		(1,178,574.04)		(1,178,574.04)
Charter Schools	55,066.00				(55,066.00)		(55,066.00)
Interest on long-term debt	972,927.53	972,927.53	-		-		-
Total governmental activities	88,020,500.76	2,604,040.02	12,742,759.49		(72,673,701.25)		(72,673,701.25)
Business-type activities:							
Food Service	1,180,944.84	911,540.11	274,736.01			5,331.28	5,331.28
Total business-type activities	1,180,944.84	911,540.11	274,736.01	-	-	5,331.28	5,331.28
Total primary government	$ 89,201,445.60	$ 3,515,580.13	$ 13,017,495.50	$ -	$ (72,673,701.25)	$ 5,331.28	$ (72,668,369.97)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					$ 68,935,957.00	$ -	$ 68,935,957.00
Property taxes, levied for debt service principal					875,210.47		875,210.47
Federal and State aid not restricted					1,653,262.08		1,653,262.08
Tuition (other than special schools)					439,412.35		439,412.35
Investment Earnings					187,708.94	1,027.51	188,736.45
Miscellaneous Income					84,505.50		84,505.50
Adjustment to Capital Assets					1,038,685.12	-	1,038,685.12
Total general revenues, special items, extraordinary items and transfers					73,214,741.46	1,027.51	73,215,768.97
Change in Net Assets					541,040.21	6,358.79	547,399.00
Net Assets—beginning					14,503,237.24	175,180.15	14,678,417.39
Net Assets—ending					$ 15,044,277.45	$ 181,538.94	$ 15,225,816.39

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

Section B

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,969,160.65	$ (207,769.18)	$ 116,758.08	$ 17,774.33	$ 1,895,923.88
Interfunds receivable	274,220.50			6,651.60	280,872.10
Receivables from other governments	1,855,782.81	358,561.19	223,610.78		2,437,954.78
Prepaid expenses	15,784.90				15,784.90
Restricted cash and cash equivalents	117,477.52	-	-	-	117,477.52
Total Assets	$ 4,232,426.38	$ 150,792.01	$ 340,368.86	$ 24,425.93	$ 4,748,013.18
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 123,740.54	$ 52,119.03	$ -	$ -	$ 175,859.57
Interfunds payable			271,247.65		271,247.65
Payable to federal government		60.75			60.75
Payable to state government		65,333.24			65,333.24
Deferred revenue	478,718.80	33,278.99			511,997.79
Other	2,660.92	-	-		2,660.92
Total Liabilities	605,120.26	150,792.01	271,247.65		1,027,159.92
Fund Balances:					
Reserved for:					
Encumbrances	1,498,588.51		15,149.16		1,513,737.67
Capital reserve account	117,477.52				117,477.52
Unreserved, reported in:					
General fund	2,011,240.09				2,011,240.09
Capital projects fund			53,972.05		53,972.05
Debt service fund	-		-	24,425.93	24,425.93
Total Fund Balances	3,627,306.12	-	69,121.21	24,425.93	3,720,853.26
Total Liabilities and Fund Balances	$ 4,232,426.38	$ 150,792.01	$ 340,368.86	$ 24,425.93	
Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:					
Adjustment to Debt Service Fund net assets for the accrual of interest expence.					(353,429.07)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $55,335,822.02 and the accumulated depreciation is $21,174,554.31.					34,161,267.71
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note IV:B.)					(22,484,414.45)
Net assets of governmental activities					$ 15,044,277.45

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

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	$ 68,935,957.00	$ -	$ -	$ 1,848,138.00	$ 70,784,095.00
Tuition charges	439,412.35				439,412.35
Transportation fees	37,674.00				37,674.00
Interest earned on investments	177,220.99		6,651.60		183,872.59
Interest earned on Capital Reserve Funds	3,836.35				3,836.35
Miscellaneous	1,671,443.99	101,765.17	-	-	1,773,209.16
Total - Local Sources	71,265,544.68	101,765.17	6,651.60	1,848,138.00	73,222,099.45
State sources	11,420,385.84	267,811.19			11,688,197.03
Federal sources	247,868.41	2,364,690.96	-	-	2,612,559.37
Total Revenues	82,933,798.93	2,734,267.32	6,651.60	1,848,138.00	87,522,855.85
EXPENDITURES					
Current:					
Regular instruction	23,781,680.49	300,611.57			24,082,292.06
Special education instruction	6,168,965.68	1,886,989.05			8,055,954.73
Other instruction	3,128,792.55				3,128,792.55
Support services and undistributed costs:					
Tuition	4,152,946.08				4,152,946.08
Student and instruction related services	8,763,477.12	394,716.93			9,158,194.05
School administrative services	3,525,978.15				3,525,978.15
General and business administrative services	3,146,884.02				3,146,884.02
Plant operations and maintenance	6,271,474.43				6,271,474.43
Pupil transportation	2,127,077.19				2,127,077.19
Unallocated benefits	19,645,532.96	63,551.77			19,709,084.73
Special schools	2,336,459.43				2,336,459.43
Transfer to charter school	55,066.00				55,066.00
Capital outlay	25,704.71	88,398.00	972,408.31		1,086,511.02
Debt service:					
Principal				936,422.77	936,422.77
Interest and other charges	-	-	-	986,140.14	986,140.14
Total Expenditures	83,130,038.81	2,734,267.32	972,408.31	1,922,562.91	88,759,277.35
Excess (Deficiency) of revenues over expenditures	(196,239.88)	-	(965,756.71)	(74,424.91)	(1,236,421.50)
OTHER FINANCING SOURCES AND (USES)					
Transfers in	21,460.52		529,100.00	6,651.60	557,212.12
Transfers (out)	(529,100.00)		(28,112.12)	-	(557,212.12)
Total Other Financing Sources and (Uses)	(507,639.48)	-	500,987.88	6,651.60	-
Net change in fund balances	(703,879.36)	-	(464,768.83)	(67,773.31)	(1,236,421.50)
Fund Balance—July 1	4,331,185.48	-	533,890.04	92,199.24	4,957,274.76
Fund Balance—June 30	$ 3,627,306.12	$ -	$ 69,121.21	$ 24,425.93	$ 3,720,853.26

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

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2010

Total net change in fund balances - governmental funds (from B-2)			$ (1,236,421.50)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:			
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The difference in accrued interest is an addition in the reconciliation. (+)			
	Interest paid	$ 986,140.14	
	Interest accrued	(972,927.53)	
			13,212.61
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.			
	Depreciation expense	(1,262,722.31)	
	Capital outlays (exclusive of capital lease principal payments)	1,086,511.02	
			(176,211.29)
Adjustment to Capital Assets in accordance with physical appraisal			1,038,685.12
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)			-
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and unused sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation (+).			(34,647.50)
Payment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.			
	Debt principal		936,422.77
	Capital lease principal		-
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.			
	Proceeds of long-term debt		-
	Capital lease proceeds		
Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)			-
Change in net assets of governmental activities			$ 541,040.21

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

PROPRIETARY FUNDS

Exhibit B-4

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 108,971.98	$ 108,971.98
Accounts receivable	15,975.44	15,975.44
Other receivables	86,953.60	86,953.60
Inventories	7,951.14	7,951.14
Total Current Assets	219,852.16	219,852.16
Noncurrent assets:		
Furniture, machinery and equipment	226,779.11	226,779.11
Less accumulated depreciation	(191,133.49)	(191,133.49)
Total Noncurrent Assets	35,645.62	35,645.62
Total Assets	255,497.78	255,497.78
LIABILITIES		
Current Liabilities:		
Accounts payable	73,958.84	73,958.84
Total Current Liabilities	73,958.84	73,958.84
NET ASSETS		
Invested in capital assets, net of related debt	35,645.62	35,645.62
Unrestricted	145,893.32	145,893.32
Total Net Assets	$ 181,538.94	$ 181,538.94

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

Exhibit B-5

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
Operating Revenues:		
Charges for services:		
Daily sales - reimbursable programs	$ 556,421.20	$ 556,421.20
Daily sales - non-reimbursable programs	294,596.36	294,596.36
Special functions	60,522.55	60,522.55
Total Operating Revenues	911,540.11	911,540.11
Operating Expenses:		
Cost of sales	558,969.44	558,969.44
Salaries	361,128.00	361,128.00
Employee benefits	104,858.00	104,858.00
Management fee	51,484.00	51,484.00
General supplies	47,876.00	47,876.00
Other purchased services	50,631.04	50,631.04
Depreciation	5,998.36	5,998.36
Total Operating Expenses	1,180,944.84	1,180,944.84
Operating Income (Loss)	(269,404.73)	(269,404.73)
Nonoperating Revenues (Expenses):		
State sources:		
State school lunch program	14,169.84	14,169.84
Federal sources:		
National school lunch program	191,708.98	191,708.98
Food distribution program	68,857.19	68,857.19
Interest and investment revenue	1,027.51	1,027.51
Total Nonoperating Revenues (Expenses)	275,763.52	275,763.52
Income (loss) before contributions and transfers	6,358.79	6,358.79
Change in net assets	6,358.79	6,358.79
Total Net Assets—Beginning	175,180.15	175,180.15
Total Net Assets—Ending	$ 181,538.94	$ 181,538.94

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

Exhibit B-6

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 862,297.89	$ 862,297.89
Payments to employees	(361,128.00)	(361,128.00)
Payments for employee benefits	(104,858.00)	(104,858.00)
Payments to suppliers	(643,224.17)	(643,224.17)
Net cash provided by (used for) operating activities	(246,912.28)	(246,912.28)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	14,169.84	14,169.84
Federal Sources	260,566.17	260,566.17
Net cash provided by (used for) non-capital financing activities	274,736.01	274,736.01
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(2,960.00)	(2,960.00)
Net cash provided by (used for) capital and related financing activities	(2,960.00)	(2,960.00)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	1,027.51	1,027.51
Net cash provided by (used for) investing activities	1,027.51	1,027.51
Net increase (decrease) in cash and cash equivalents	25,891.24	25,891.24
Balances—beginning of year	83,080.74	83,080.74
Balances—end of year	$ 108,971.98	$ 108,971.98
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	$ (269,404.73)	$ (269,404.73)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and net amortization	5,998.36	5,998.36
(Increase) decrease in accounts receivable, net	(49,242.22)	(49,242.22)
(Increase) decrease in inventories	2,661.82	2,661.82
Increase (decrease) in accounts payable	63,074.49	63,074.49
Total adjustments	22,492.45	22,492.45
Net cash provided by (used for) operating activities	$ (246,912.28)	$ (246,912.28)

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

FIDUCIARY FUNDS

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Unemployment Compensation Trust	Rental Escrow	Agency Fund
ASSETS			
Cash and cash equivalents	$ 59,057.37	$ 11,521.21	$ 749,062.73
Total Assets	$ 59,057.37	$ 11,521.21	$ 749,062.73
LIABILITIES			
Payable to district	$ -	$ 194.62	$ 9,429.83
Payable to student groups			249,225.12
Payroll deductions and withholdings		-	490,407.78
Total Liabilities		194.62	$ 749,062.73
NET ASSETS			
Held in trust for unemployment claims and other purposes	$ 59,057.37		
Reserved for leases		$ 11,326.59	

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

Exhibit B-8

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2010

	Unemployment Compensation Trust	Rental Escrow
ADDITIONS		
Contributions:		
Plan member	$ 101,732.43	$ -
Board of Education	388,106.15	
Total Contributions	489,838.58	
Investment earnings:		
Interest	776.01	
Net investment earnings	776.01	
Total Additions	490,614.59	
DEDUCTIONS		
Unemployment claims	615,691.99	
Total Deductions	615,691.99	
Change in Net Assets	(125,077.40)	
Net Assets—beginning	184,134.77	11,326.59
Net Assets—ending	$ 59,057.37	$ 11,326.59

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

NOTES TO BASIC FINANCIAL STATEMENTS

Note I: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Board of Education (Board) of the Borough of Fair Lawn School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District is required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. This Statement established new financial reporting requirements for state and local governments throughout the United States. It required new information and restructuring much of the information that governments had presented in the past. The District began implementing these standards for the fiscal year ending June 30, 2003.

Other GASB Statements were also required to be implemented in conjunction with GASB Statements No. 34. Therefore, the District implemented for the fiscal year ending June 30, 2003, Statement No. 37 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus, and Statement No. 38 – Certain Financial Statement Note Disclosures.

B. Reporting Entity

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

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

C. Basic Financial Statements- Government-Wide Statements

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

Note I: Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements- Government-Wide Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (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. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

D. Basic Financial Statements- Fund Financial Statements

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

The following fund types are used by the District:

Governmental Fund Types

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

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

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

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

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

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

Note I: Summary of Significant Accounting Policies (Continued)

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

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

Proprietary Fund Type

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

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

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

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

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

Fiduciary Fund Types

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

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

Note I: Summary of Significant Accounting Policies (Continued)

E. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include state and federal aid, property taxes, grants entitlements and donations.

Government funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. 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 must be approved by School Board resolution. Appropriation of additional fund balance in the amount of $980,000.00, additional revenues in the amount of $268,451.61 and prior year encumbrances in the amount of $918,305.87 were made during the year ended June 30, 2010. The significant budget transfers and amendments approved in the school year are presented on Exhibit C-1.

Note I: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control (Continued)

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

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

The special revenue fund had no encumbrances at June 30, 2010.

The reconciliation of the general and special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting is presented on Exhibit C-3.

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity

1. Deposits and Investments

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

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

2. Short – term Interfund Receivables/Payables

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

3. Inventories and Prepaid Expenses

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

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

Prepaid expenses represent payments made to vendors for services that will benefit periods beyond June 30, 2009.

4. Capital Assets

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

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

Land and Construction in Progress are not depreciated.

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

4. Capital Assets (Continued)

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

5. Compensated Absences

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

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

6. Deferred Revenue

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

7. Long – term Obligations

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

8. Fund Equity

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

9. Use of Estimates

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

Note II: Reconciliation of Government Wide and Fund Financial Statements

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

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

Balance Sheet/Statement of Net Assets

Assets	Total Governmental Funds	Long - term Assets Liabilities (1)	Reclassifications and Eliminations	Statement of Net Assets Totals
Cash and cash equivalents	$ 1,895,923.88	$ -	$ (116,758.08)	$ 1,779,165.80
Receivables, net			2,437,954.78	2,437,954.78
Interfund Receivables	280,872.10		(271,247.65)	9,624.45
Receivables from Other Governments	2,437,954.78		(2,437,954.78)	-
Prepaid Expenses	15,784.90			15,784.90
Restricted assets:				
Cash and cash equivalents			116,758.08	116,758.08
Capital Reserve Account - cash	117,477.52			117,477.52
Capital Assets, net	-	34,161,267.71	-	34,161,267.71
Total Assets	$ 4,748,013.18	$ 34,161,267.71	$ (271,247.65)	$ 38,638,033.24
Liabilities				
Accounts Payable	$ 175,859.57	$ -	$ -	$ 175,859.57
Interfunds Payable	271,247.65		(271,247.65)	-
Payable to Federal Government	60.75			60.75
Payable to State Government	65,333.24			65,333.24
Bond Interest Payable			353,429.07	353,429.07
Deferred Revenue	511,997.79			511,997.79
Other	2,660.92			2,660.92
Noncurrent Liabilities	-	21,802,331.95	682,082.50	22,484,414.45
Total Liabilities	1,027,159.92	21,802,331.95	764,263.92	23,593,755.79
Fund Balances/Net Assets				
Net Assets				
Invested in capital assets, net of related debt		12,358,935.76		12,358,935.76
Restricted for:				
Capital projects	171,449.57			171,449.57
Debt Service	24,425.93		(353,429.07)	(329,003.14)
Other purposes	1,513,737.67			1,513,737.67
Unrestricted	2,011,240.09	-	(682,082.50)	1,329,157.59
Total Fund Balances/Net Assets	3,720,853.26	12,358,935.76	(1,035,511.57)	15,044,277.45
Total Liabilities and Fund Balances/Net Assets	$ 4,748,013.18	$ 34,161,267.71	$ (271,247.65)	$ 38,638,033.24

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

Cost of capital assets	$ 55,335,822.02
Accumulated depreciation	(21,174,554.31)
	$ 34,161,267.71

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

Serial Bonds	$ 21,622,000.00
Loans	180,331.95
Compensated Absences	682,082.50
	$ 22,484,414.45

Adjustment to Debt Service Fund net assets for the accrual of interest expence.	$ (353,429.07)

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

Explanation of Differences between Governmental Funds Operating Statement of Activities

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

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

Revenues and Other Sources	Total Governmental Funds	Long - term Revenue, Expenses (2)	Capital Related Items (3)	Long - term Debt Transactions (4)	Reclassifications and Eliminations (5)	Statement of Activities Totals
Local Tax Levy	$ 70,784,095.00	$ -	$ -	$ -	$ -	$ 70,784,095.00
Tuition Charges	439,412.35					439,412.35
Transportation Fees	37,674.00					37,674.00
Interest Earned on Investments	187,708.94					187,708.94
Miscellaneous	1,773,209.16					1,773,209.16
State Sources	11,688,197.03					11,688,197.03
Federal Sources	2,612,559.37	-	-	-	-	2,612,559.37
Total	$ 87,522,855.85	$ -	$ -	$ -	$ -	$ 87,522,855.85
Expenditures						
Current:						
Regular instruction	$ 24,082,292.06	$ -	$ 718,768.36	$ (4,983.30)	$ 8,884,813.73	$ 33,680,890.85
Special education	8,055,954.73		126,841.48	(949.20)	2,235,182.61	10,417,029.62
Other instruction	3,128,792.55		32,854.95		1,080,621.86	4,242,269.36
Support Services and undistributed costs:						
Tuition	4,152,946.08					4,152,946.08
Student and instruction related services	9,158,194.05		41,397.89		3,001,400.76	12,200,992.70
School administrative services	3,525,978.15		50,360.95	24,450.00	1,379,013.26	4,979,802.36
General and business administrative services	3,146,884.02		51,050.95	16,850.00	719,301.52	3,934,086.49
Plant operations and maintenance	6,271,474.43		60,831.37	(720.00)	1,465,324.51	7,796,910.31
Pupil transportation	2,127,077.19		170,650.89		369,304.05	2,667,032.13
Unallocated Benefits	19,709,084.73				(19,709,084.73)	-
Special Schools	2,336,459.43		9,965.47		574,122.43	2,920,547.33
Transfer to Charter school	55,066.00					55,066.00
Capital Outlay	1,086,511.02		(1,086,511.02)			-
Debt Service:						
Principal	936,422.77			(936,422.77)		-
Interest	986,140.14	(13,212.61)	-	-	-	972,927.53
Total	88,759,277.35	(13,212.61)	176,211.29	(901,775.27)	-	88,020,500.76
Other Financing Uses/Changes in Net Assets:						
Adjustment to Capital Assets			1,038,685.12			1,038,685.12
Total	-	-	1,038,685.12	-	-	1,038,685.12
Net Change for the Year	$ (1,236,421.50)	$ 13,212.61	$ 862,473.83	$ 901,775.27	$ -	$ 541,040.21

2. In the statement of activities, interest on long -term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliations. (+) $ 13,212.61

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

Depreciation expense	$ (1,262,722.31)
Capital outlays (exclusive of capital lease principal payments)	1,086,511.02
	$ (176,211.29)

3. Adjustment to Capital Assets in accordance with physical appraisal $ 1,038,685.12

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

4. In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the differences is an addition to the reconciliation (+). $ (34,647.50)

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

Debt principal	936,422.77
Capital lease principal	-
	$ 901,775.27

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

Proceeds of long - term debt	$ -
Capital lease proceeds	-
	$ -

5. Allocate Benefits expenditures

Note III: Detailed Disclosure Regarding Assets and Revenues

A. Deposits and Investments

Deposits

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

N.J.S.A. 17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

At June 30, 2010 the Borough of Fair Lawn School District's cash and cash equivalent's amounted to $8,340,965.71. Of this amount, $500,000.00 was covered by federal depository insurance (F.D.I.C.) and $7,836,651.06 was covered by a collateral pool maintained by the banks as required by GUDPA

At June 30, 2010 the Borough of Fair Lawn School District's participation in the State of New Jersey Cash Management Fund amounted to $1,475.46.

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

As of June 30, 2010, $1,475.46 of the Borough of Fair Lawn School District's cash and cash equivalents of $8,340,965.71 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	
Uninsured and collateral held by public depository or by its' trust department not in the Borough of Fair Lawn School District's name	$ 1,475.46
	$ 1,475.46

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

A. Deposits and Investments (Continued)

Investments

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

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

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
(2) Government money market mutual funds;
(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
(4) Bonds or other obligations of the school district or bonds or other obligations of local unit or units within which the school district is located;
(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by school district;
(6) Local government investment pools:
(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) or
(8) Agreements for the repurchase of fully collateralized securities, if:
(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;
(b) the custody of collateral is transferred to a third party;
(c) the maturity of the agreement is not more than 30 days;
(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Fair Lawn School District had no investments as described in Note I:G.1 at June 30, 2010.

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

B. Interfund Receivables and Payables

As of June 30, 2010, interfund receivables and payables resulting from various interfund transactions were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	$274,220.50	
Capital Projects Fund		271,247.65
Debt Service Fund	6,651.60	
Trust and Agency Fund	0	9,624.45
	$280,872.10	$280,872.10

New Jersey statute requires that interest earned on the investments in capital projects fund be credited to the general fund or debt service based on Board resolution. In accordance with Board resolution, accrued interest as of June 30, 2010 in the amount of $6,651.60 was transferred to debt service fund to offset future interest payments to bondholders. Accordingly, an interfund accounts receivable and payable for $6,651.60 was established in the debt service and capital projects funds, respectively.

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

C. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Adjustment	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 614,091.00	$ -	$ -	$ 614,091.00
Construction in Progress	-	-	-	-
Total Capital assets not being depreciated	614,091.00	-	-	614,091.00
Land Improvements	1,858,239.00		221,924.00	2,080,163.00
Buildings and Improvements	43,695,466.40	960,884.84	1,971,813.60	46,628,164.84
Machinery and Equipment	7,365,450.22	125,626.18	(1,477,673.22)	6,013,403.18
Totals at historical cost	52,919,155.62	1,086,511.02	716,064.38	54,721,731.02
Less accumulated depreciation for:				
Land Improvements	(1,522,398.00)	(48,210.48)	(17,549.00)	(1,588,157.48)
Buildings and Improvements	(13,169,281.67)	(936,464.21)	(536,043.33)	(14,641,789.21)
Machinery and Equipment	(5,542,773.07)	(278,047.62)	876,213.07	(4,944,607.62)
Total accumulated depreciation	(20,234,452.74)	(1,262,722.31) (1)	322,620.74	(21,174,554.31)
Net capital assets being depreciated	32,684,702.88	(176,211.29)	1,038,685.12	33,547,176.71
Governmental activities capital assets, net	$ 33,298,793.88	$ (176,211.29)	$ 1,038,685.12	$ 34,161,267.71
Business - type activities:				
Equipment	$ 223,819.11	$ 2,960.00	$ -	$ 226,779.11
Less accumulated depreciation	(185,135.13)	(5,998.36)	-	(191,133.49)
Business - type activities capital assets, net	$ 38,683.98	$ (3,038.36)	$ -	$ 35,645.62

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

Instruction	$ 718,768.36
Special Education	126,841.48
Other Instruction	32,854.95
Student and Instruction Related Services	41,397.89
School Administrative Services	50,360.95
General and Business Administrative Services	51,050.95
Plant Operations and Maintenance	60,831.37
Pupil Transportation	170,650.89
Special Schools	9,965.47
	$ 1,262,722.31

Note IV: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

A. Operating Leases

The District has commitments to lease copying equipment under operating leases which expire in 2014. Total operating lease payments made during the year ended June 30, 2009 were $40,297.14 . Future minimum lease payments are as follows:

Year Ended	Amount
June 30, 2011	$ 24,684.00
June 30, 2012	16,918.00
June 30, 2013	6,611.00
June 30, 2014	6,012.00
June 30, 2015	2,264.00
Total future minimum lease payments	$ 56,489.00

B. Long - Term Liabilities

Long - Term liability activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Long - Term debt:					
Serial Bonds	$ 22,517,000.00	$ -	$ (895,000.00)	$ 21,622,000.00	$ 955,000.00
Loans	221,754.72	-	(41,422.77)	180,331.95	42,802.93
Total debt payable	22,738,754.72	-	(936,422.77) (1)	21,802,331.95	997,802.93
Other liabilities:					
Compensated absences	647,435.00	100,672.50	(66,025.00)	682,082.50	186,870.00
Total other liabilities	647,435.00	100,672.50	(66,025.00) (2)	682,082.50	186,870.00
Governmental activities long - term liabilities	23,386,189.72	100,672.50	(1,002,447.77)	22,484,414.45	1,184,672.93

(1) Paid by debt service fund
(2) Paid by general fund

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

B. Long – Term Liabilities (Continued)

1. Bonds Payable

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

Serial Bonds outstanding as of June 30, 2010 consisted of the following:

Description	Interest Rate	Due Date	Maturity Date	Amount Issued	Amount Outstanding
Refunding Bonds of 2003	Various	10/1	10/1/13	$ 2,215,000.00	$ 1,060,000.00
Various Improvements	Various	2/15	2/15/30	23,662,000.00	20,562,000.00
				$25,877,000.00	$21,622,000.00

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

Year ending June 30,	Principal	Interest	Total
2011	$955,000.00	$941,075.50	$1,896,075.50
2012	995,000.00	902,372.50	1,897,372.50
2013	1,040,000.00	861,525.00	1,901,525.00
2014	1,090,000.00	818,485.00	1,908,485.00
2015	850,000.00	778,740.00	1,628,740.00
2016	895,000.00	742,615.00	1,637,615.00
2017	940,000.00	704,577.50	1,644,577.50
2018	985,000.00	664,627.50	1,649,627.50
2019	1,035,000.00	622,765.00	1,657,765.00
2020	1,085,000.00	578,777.50	1,663,777.50
2021	1,140,000.00	532,665.00	1,672,665.00
2022	1,180,000.00	481,365.00	1,661,365.00
2023	1,180,000.00	428,265.00	1,608,265.00
2024	1,180,000.00	375,165.00	1,555,165.00
2025	1,180,000.00	322,065.00	1,502,065.00
2026	1,180,000.00	268,965.00	1,448,965.00
2027	1,180,000.00	215,865.00	1,395,865.00
2028	1,180,000.00	162,765.00	1,342,765.00
2029	1,180,000.00	108,485.00	1,288,485.00
2030	1,172,000.00	54,205.00	1,226,205.00
	$21,622,000.00	$10,562,370.50	$32,187,370.50

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

B. Long – Term Liabilities (Continued)

2. Temporary Notes

There were no Temporary Notes outstanding as of June 30, 2010.

3. Bonds Authorized But Not Issued

There were no authorized but not issued bonds as of June 30, 2010.

4. Capital Leases Payable

There were no capital leases payable as of June 30, 2010.

5. Loan Agreements

The Borough of Fair Lawn School District has entered into three loan agreements with the State of New Jersey for the reroofing, tank removal and improvement of substandard rooms at various schools. The Borough of Fair Lawn School District has also entered into a loan agreement with the federal government for asbestos abatement at various schools. The New Jersey Economic Development Authority (N.J.E.D.A.) loans are repayable over 20 years from the date of final consummation of the loans and the United States Environmental Protection Agency (U.S.E.P.A.) loan is repayable over 18 years from the date of final consummation of the loan. The N.J.E.D.A. loans (no. 111-93, 112-93 and 116-93) total $691,407.00 of which $518,555.25 is at an interest rate of 5.288% and $172,851,75 is at an interest of 1.5%. U.S.E.P.A. loan no. 0088304601 of $388,468.88 is interest free.

Drawdowns of the N.J.E.D.A. loans of $691,407.00 were initiated in and completed in 1993, the drawdown of the U.S.E.P.A. loan of $388,468.88 was initiated and completed in 1987.

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

B. Long - Term Liabilities (Continued)

5. Loan Agreements (Continued)

Following are the remaining maturities and debt schedules for the outstanding principal and interest on the loans:

School Year Ending June 30	Total Principal	Total Interest	Loan No. 111-93 Small Project Principal	Loan No. 111-93 Small Project Interest @5.288%	Loan No. 111-93 Safe Program Principal	Loan No. 111-93 Safe Program Interest @1.5%	Loan No. 112-93 Small Project Principal	Loan No. 112-93 Small Project Interest @5.288%	Loan No. 112-93 Safe Program Principal	Loan No. 112-93 Safe Program Interest @1.5%	Loan No. 116-93 Small Project Principal	Loan No. 116-93 Small Project Interest @5.288%	Loan No. 116-93 Safe Program Principal	Loan No. 116-93 Safe Program Interest @1.5%
2011	$ 42,802.93	$ 7,205.66	$ 27,197.64	$ 5,422.23	$ 7,271.42	$ 381.75	$ 3,295.16	$ 656.94	$ 887.89	$ 46.62	$ 3,269.77	$ 651.87	$ 881.05	$ 46.25
2012	44,254.41	5,246.32	28,366.89	3,953.10	7,271.42	272.68	3,436.82	478.95	887.89	33.30	3,410.34	475.25	881.05	33.04
2013	45,816.89	3,207.29	29,625.55	2,419.78	7,271.42	163.61	3,589.32	293.18	887.89	19.98	3,561.66	290.91	881.05	19.83
2014	47,457.72	1,083.50	30,947.19	818.25	7,271.42	54.54	3,749.47	99.10	887.98	6.62	3,720.56	98.38	881.10	6.61
	$ 180,331.95	$ 16,742.77	$ 116,137.27	$ 12,613.36	$ 29,085.68	$ 872.58	$ 14,070.77	$ 1,528.17	$ 3,551.65	$ 106.52	$ 13,962.33	$ 1,516.41	$ 3,524.25	$ 105.73

Note V: Detailed Disclosure Regarding Fund Equity

A. Capital Reserve Account

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

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

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

Note V: Detailed Disclosure Regarding Fund Equity (Continued)

A. Capital Reserve Account (Continued)

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

1992-1993 Budget (described above)	$3,500,000.00
1992-1993 Investment Income	121,763.42
1992-1993 Budgetary Expenditures	(3,010,622.75)
1993-1994 Investment Income	24,583.00
1993-1994 Budgetary Expenditures	(472,625.21)
1994-1995 Investment Income	22,796.65
1994-1995 Budgetary Expenditures	(85,900.31)
1995-1996 Investment Income	21,778.98
1995-1996 Budgetary Expenditures	(52,358.09)
1996-1997 Investment Income	6,097.71
1997-1998 Budget (Unreserved Fund Balance)	200,000.00
1997-1998 Investment Income	3,933.75
1997-1998 Budgetary Expenditures	(72,400.00)
1998-1999 Investment Income	4,244.14
1998-1999 Budgetary Expenditures	(50,000.00)
1999-2000 Budget (Unreserved Fund Balance)	300,000.00
1999-2000 Investment Income	16,455.05
1999-2000 Budgetary Expenditures	(150,000.00)
2000-2001 Budget (Unreserved Fund Balance)	85,000.00
2000-2001 Investment Income	14,997.76
2000-2001 Budgetary Expenditures	(300,000.00)
2001-2002 Resolution (Unreserved Fund Balance)	140,000.00
2001-2002 Investment Income	2,331.13
2001-2002 Budgetary Expenditures	(28,800.00)
2002-2003 Resolution (Unreserved Fund Balance)	225,000.00
2002-2003 Investment Income	5,575.76
2002-2003 Budgetary Expenditures	(109,098.58)
2003-2004 Transfer from Fund 30	8,608.00
2003-2004 Investment Income	3,447.44
2003-2004 Budgetary Expenditures	(177,489.00)
2004-2005 Investment Income	3,831.19
2005-2006 Budgetary Expenditures	(85,729.90)
2005-2006 Investment Income	6,947.45
2006-2007 Investment Income	5,938.66
2007-2008 Investment Income	4,950.63
2007-2008 Resolution (Unreserved Fund Balance)	570,000.00
2007-2008 Budget Expenditures	(100,000.00)
2008-2009 Investment Income	12,431.53
2008-2009 Resolution (Unreserved Fund Balance)	50,000.00
2008-2009 Budget Expenditures	(44,407.76)
2009-2010 Investment Income	3,836.35
2009-2010 Transfer from Fund 30	21,460.52
2009-2010 Budget Expenditures	(529,100.00)
Balance June 30, 2009	$117,477.52

The June 30, 2010 LRFP balance of local support costs of uncompleted capital projects at June 30, 2010 is $14,956,800.00.

Note VI: Pension Plans

Description of Systems

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

The Public Employees' Retirement System (PERS) was established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post – retirement health care coverage.

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

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

Retirement Benefits

For PERS and TPAF employees, the benefits will be 1/55 of the average of the three highest years compensation for each year of service. However, for PERS and TPAF who are veterans of the U.S. armed forces, the benefits will be 1/55 of final compensation for each year of service.

Note VI: Pension Plans (Continued)

Significant Legislation

P.L. 2009, c.19, effective March 17, 2009 provides an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS for payments due in State fiscal year 2009. This law also provides that a local employer may pay 100 percent of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS will determine the unfunded liability of the retirement system, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

P.L.2008, c.89, effective November 1, 2008, increased the TPAF and PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c.103, certain parts effective July 1, 2007, provided for the following: changed employee contribution rates of TPAF, State PERS, and DCRP to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. The pension funds provide for employee contributions based on 5.5 percent for TPAF and 5.5 percent for PERS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2009, for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, annual pension cost equals contributions made.

Note VI: Pension Plans (Continued)

Contributions – Actual

The District's total payroll for the year ended June 30, 2010 was $51,812,434.57 and covered payroll was $36,520,647.00 for TPAF and $11,516,389.00 for PERS. Contributions to the TPAF and the PERS for the year ended June 30, 2008, 2009 and 2010 made by the employees, the Board, and the State of New Jersey on behalf of the Board were as follows:

		TPAF	Percent of Covered Payroll	PERS	Percent of Covered Payroll
Employees	6/30/08	$1,851,278.69	5.53%	$611,679.93	5.71%
	6/30/09	1,936,061.29	5.55%	643,173.91	5.65%
	6/30/10	2,024,282.23	5.54%	638,700.55	5.55%
Board of Education	6/30/08	N/A	N/A	635,975.20	5.95%
	6/30/09	N/A	N/A	865,357.43	8.61%
	6/30/10	N/A	N/A	1,055,346.76	9.16%
State of New Jersey	6/30/08	4,978,103.00	14.87%	N/A	N/A
	6/30/09	2,213,855.00	7.13%	N/A	N/A
	6/30/10	2,331,091.00	6.38%	N/A	N/A

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $2,734,445.84 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount and the State of New Jersey's Contribution to the TPAF have been included in the basic financial statements and the budgetary comparison schedule – General Fund as a revenue and expenditure in accordance with GASB 24.

Note VII: Post-Retirement Medical Benefits

P.L. 1987, c.384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, respectively, to fund post-retirement medical benefits for those employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees receiving post-retirement medical benefits and the state contributed $837.7 million on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

Note VIII: Risk Management

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

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

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2009-2010	$ 338,106.15	$ 101,732.43	$ 615,691.99	$ 59,057.37
2008-2009	112,669.44	122,782.06	108,398.74	184,134.77
2007-2008		69,930.02	36,146.79	168,458.50

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

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

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

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

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

Note IX: Compensated Absences

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2010, no liability existed for compensated absences in the Food Service Fund.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

Section C

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:						
Local Sources:						
Local Tax Levy		$ 68,935,957.00	$ -	$ 88,935,957.00	$ 68,935,957.00	$ -
Tuition		542,980.00	-	542,980.00	439,412.35	(103,567.65)
Transportation Fees		38,678.00	-	38,678.00	37,674.00	(1,004.00)
Interest Earned on Investments		404,000.00	-	404,000.00	177,220.99	(226,779.01)
Interest Earned on Capital Reserve Funds		1,000.00	-	1,000.00	3,836.35	2,836.35
Miscellaneous		1,709,826.00	268,451.61	1,978,077.61	1,671,443.99	(306,633.62)
Total - Local Sources		71,632,241.00	268,451.61	71,900,692.61	71,265,544.68	(635,147.93)
State Sources:						
Equalization Aid		946,292.00	-	946,292.00	946,292.00	-
Categorical Transportation Aid		849,557.00	-	849,557.00	693,274.00	(156,283.00)
Categorical Special Education Aid		2,686,561.00	-	2,886,561.00	2,886,561.00	-
Categorical Security Aid		386,513.00	-	386,513.00	386,513.00	-
Extraordinary Aid		1,891,772.00	-	1,691,772.00	1,677,511.00	(14,261.00)
NonpublicTransportation Aid			-		40,546.00	40,546.00
TPAF Pension (On-Behalf - Non-Budgeted)			-		2,331,091.00	2,331,091.00
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	2,734,445.84	2,734,445.84
Total State Sources		8,560,695.00	-	6,560,695.00	11,496,233.84	4,935,538.84
Federal Sources:						
Medical Assistance Program		19,867.00	-	19,867.00	38,106.41	18,239.41
American Recovery and Reinvestment Act:						
Education Stabilization Fund		201,944.00	-	201,944.00	201,944.00	-
Government Services Fund		7,818.00	-	7,818.00	7,818.00	-
Total - Federal Sources		229,629.00	-	229,629.00	247,868.41	18,239.41
Total Revenues		78,422,565.00	268,451.61	78,691,018.61	83,009,646.93	4,318,830.32
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction						
Preschool/Kindergarten - Salaries of Teachers	110-100-101	538,104.00	(118,255.80)	419,848.20	419,725.00	123.20
Grades 1-5 - Salaries of Teachers	120-100-101	8,509,556.00	(124,120.39)	8,385,435.61	8,381,334.86	4,100.75
Grades 6-8 - Salaries of Teachers	130-100-101	5,991,099.00	91,026.50	6,082,125.50	6,075,478.53	6,646.97
Grades 9-12 - Salaries of Teachers	140-100-101	8,038,156.00	(4,894.97)	8,033,261.03	7,985,251.59	48,009.44
Regular Programs - Home Instruction:			-			
Salaries of Teachers	150-100-101	90,000.00	(7,474.43)	82,525.57	82,318.77	206.80
Purchased Professional-Educational Services	150-100-320	24,000.00	59,407.70	83,407.70	78,593.70	4,814.00
Regular Programs - Undistributed Instruction			-			
Other Purchased Services (400-500 series)	190-100-500	22,900.00	(2,910.02)	19,989.98	18,539.89	1,450.09
General Supplies	190-100-610	393,592.00	(11,088.15)	382,503.85	388,274.66	14,229.19
Textbooks	190-100-640	100,832.00	148,922.47	249,754.47	237,373.85	12,380.62
Other Objects	190-100-800	150,755.00	(6,721.93)	144,033.07	134,789.64	9,243.43
TOTAL REGULAR PROGRAMS - INSTRUCTION		23,858,994.00	23,890.98	23,882,884.98	23,781,680.49	101,204.49
SPECIAL EDUCATION - INSTRUCTION						
Cognitive - Mild:						
Salaries of Teachers	201-100-101	88,720.00	1,995.00	90,715.00	90,715.00	-
Other Salaries for Instruction	201-100-106	63,355.00	50,871.49	114,226.49	100,330.01	13,896.48
General Supplies	201-100-610	2,000.00	(9.00)	1,991.00	1,147.85	843.15
Other Objects	201-100-800	2,000.00	9.00	2,009.00	1,314.03	694.97
Total Cognitive - Mild		156,075.00	52,868.49	208,941.49	193,506.89	15,434.60
Cognitive - Moderate:						
Salaries of Teachers	202-100-101	132,575.00	7,735.00	140,310.00	135,295.50	5,014.50
Other Salaries for Instruction	202-100-106	181,003.00	(31,829.33)	149,173.67	147,521.97	1,651.70
General Supplies	202-100-610	1,600.00	857.37	2,257.37	2,257.37	-
Other Objects	202-100-800	750.00	(378.80)	371.20	371.20	-
Total Cognitive - Moderate		315,928.00	(23,815.76)	292,112.24	285,446.04	6,666.20
Learning and/or Language Disabilities:						
Salaries of Teachers	204-100-101	595,335.00	(39,100.23)	556,234.77	556,115.00	119.77
Other Salaries for Instruction	204-100-106	394,507.00	82,891.32	477,398.32	477,398.32	-
General Supplies	204-100-610	17,286.00	(125.71)	17,160.29	17,102.54	57.75
Textbooks	204-100-640	5,000.00	168.43	5,168.43	5,168.43	-
Total Learning and/or Language Disabilities		1,012,128.00	43,833.81	1,055,961.81	1,055,784.29	177.52
Behavioral Disabilities:						
Salaries of Teachers	209-100-101	217,990.00	10,311.33	228,301.33	228,301.33	-
Other Salaries for Instruction	209-100-106	195,679.00	4,371.92	200,050.92	193,282.96	6,767.96
General Supplies	209-100-610	4,190.00	1.55	4,191.55	4,001.55	190.00
Textbooks	209-100-640	3,600.00	(6.30)	3,593.70	3,584.00	9.70
Other Objects	209-100-800	2,000.00	(174.40)	1,825.60	1,071.28	754.32
Total Behavioral Disabilities		423,459.00	14,504.10	437,963.10	430,241.12	7,721.98
Resource Room/Resource Center:						
Salaries of Teachers	213-100-101	2,198,840.00	48,456.06	2,245,296.06	2,245,296.06	-
General Supplies	213-100-610	7,000.00	(316.53)	6,683.47	6,379.37	304.10
Textbooks	213-100-640	5,000.00	(0.01)	4,999.99	4,751.85	248.34
Total Resource Room/Resource Center		2,210,840.00	46,139.52	2,258,979.52	2,256,427.08	552.44
Autism:						
Salaries of Teachers	214-100-101	422,917.00	73.92	422,990.92	422,990.92	-
Other Salaries for Instruction	214-100-106	988,254.00	(1,355.71)	986,898.29	933,018.96	53,881.33
Purchased Professional-Educational Services	214-100-320	250,000.00	(57,445.00)	192,555.00	169,692.50	22,862.50
General Supplies	214-100-610	5,000.00	(329.10)	4,670.90	3,160.16	1,510.74
Total Autism		1,666,171.00	(59,055.89)	1,607,115.11	1,528,880.54	78,254.57
Preschool Disabilities - Part-Time:						
Salaries of Teachers	215-100-101	190,155.00	16,950.00	207,105.00	207,105.00	-
Other Salaries for Instruction	215-100-106	278,857.00	(55,028.11)	223,828.89	209,116.50	14,512.39
General Supplies	215-100-610	5,000.00	-	5,000.00	2,478.22	2,521.78
Other Objects	215-100-800	400.00	-	400.00	-	400.00
Total Preschool Disabilities - Part-Time		474,212.00	(38,078.11)	436,133.89	418,699.72	17,434.17
TOTAL SPECIAL EDUCATION - INSTRUCTION		6,258,813.00	36,394.18	6,295,207.16	6,168,965.68	126,241.48

Exhibit C-1

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction						
Salaries of Teachers	230-100-101	$ 160,221.00	$ 2,824.72	$ 162,845.72	$ 162,845.72	$ -
General Supplies	230-100-610	20,300.00	(113.02)	20,186.98	17,048.80	3,138.18
Total Basic Skills/Remedial - Instruction		180,521.00	2,511.70	183,032.70	179,894.52	3,138.18
Bilingual Education - Instruction						
Salaries of Teachers	240-100-101	535,519.00	(4,054.47)	531,464.53	531,464.53	-
General Supplies	240-100-610	5,596.00	-	5,596.00	5,080.94	515.06
Textbooks	240-100-640	2,060.00	-	2,060.00	2,060.00	-
Total Bilingual Education - Instruction		543,175.00	(4,054.47)	539,120.53	538,605.47	515.06
School-Spon. Cocurricular Actvts. - Inst.						
Salaries	401-100-100	343,637.00	(12,761.96)	330,875.04	325,027.52	5,847.52
Supplies and Materials	401-100-600	5,750.00	499.47	6,249.47	4,992.03	1,257.44
Other Objects	401-100-800	22,900.00	2,888.99	25,788.99	21,287.02	4,521.97
Total School-Spon. Cocurricular Actvts. - Inst.		372,287.00	(9,373.50)	362,913.50	351,286.57	11,626.93
School-Spon. Athletics - Instruction						
Salaries	402-100-100	589,175.00	(8,028.58)	581,146.42	576,849.25	4,297.17
Purchased Services (300-500 series)	402-100-500	59,000.00	(5,844.00)	53,156.00	53,156.00	-
Supplies and Materials	402-100-600	51,400.00	15,340.54	66,740.54	56,860.06	9,880.48
Other Objects	402-100-800	125,767.00	34,833.96	160,600.96	160,157.12	443.84
Total School-Spon. Athletics - Instruction		825,342.00	36,301.92	861,643.92	847,022.43	14,621.49
Other Instructional Programs - Instruction						
Salaries	4XX-100-100	-	970.88	970.88	970.88	-
Total Other Instructional Programs - Instruction		-	970.88	970.88	970.88	-
Other Supplemental/At-Risk Programs - Instruction						
Salaries of Teachers	424-100-101	984,719.00	89,830.42	1,074,549.42	1,062,252.71	12,296.71
Salaries of Reading Specialists	424-100-179	148,110.00	-	148,110.00	148,110.00	-
General Supplies	424-100-610	5,000.00	(4,175.00)	825.00	649.97	175.03
Textbooks	424-100-640	2,000.00	-	2,000.00	-	2,000.00
Total Other Supplemental/At-Risk Programs - Instruction		1,139,829.00	85,655.42	1,225,484.42	1,211,012.68	14,471.74
Total Instruction		33,178,961.00	172,297.09	33,351,258.09	33,079,438.72	271,819.37
Undistributed Expenditures - Instruction:						
Tuition to Other LEAs Within the State - Special	000-100-562	135,014.00	120,527.29	255,541.29	255,541.29	-
Tuition to County Voc. School Dist. - Regular	000-100-563	407,560.00	1,251.42	408,811.42	408,811.42	-
Tuition to County Voc. School Dist. - Special	000-100-564		51,882.54	51,882.54	51,882.54	-
Tuition to CSSD & Regional Day Schools	000-100-565	1,042,482.00	(298,877.60)	743,604.40	699,607.00	43,997.40
Tuition to Private Schools for the Disabled - Within State	000-100-566	2,972,069.00	217,699.67	3,189,768.67	2,698,103.83	491,664.84
Tuition - Other	000-100-569	40,770.00	(1,770.00)	39,000.00	39,000.00	-
Total Undistributed Expenditures - Instruction:		4,597,895.00	90,713.32	4,888,808.32	4,152,946.08	535,662.24
Undistributed Expend. - Attend. & Social Work						
Salaries	000-211-100	60,056.00	1,176.85	61,232.85	60,233.65	999.20
Total Undistributed Expend. - Attend. & Social Work		60,056.00	1,176.85	61,232.85	60,233.65	999.20
Undist. Expend. - Health Services						
Salaries	000-213-100	896,022.00	(3,089.52)	892,932.48	880,634.07	12,298.41
Purchased Professional and Technical Services	000-213-300	33,504.00	(314.93)	33,189.07	32,247.50	941.57
Other Purchased Services (400-500 series)	000-213-500	1,075.00	479.11	1,554.11	1,192.62	361.49
Supplies and Materials	000-213-600	10,100.00	1,213.43	11,313.43	10,601.12	712.31
Other Objects	000-213-800	2,500.00	(240.00)	2,260.00	1,670.00	590.00
Total Undistributed Expenditures - Health Services		943,201.00	(1,951.91)	941,249.09	928,345.31	14,903.78
Undist. Expend. - Speech,OT,PT & Related Services						
Salaries of Other Professional Staff	000-216-100	914,985.00	3,659.00	918,644.00	918,644.00	-
Purchased Professional - Educational Services	000-216-320	966,474.00	(120,620.31)	845,853.69	688,811.31	157,042.38
Supplies and Materials	000-218-600	10,000.00	(2,379.03)	7,620.97	7,549.15	71.82
Total Undist. Expend. - Speech,OT,PT & Related Services		1,891,459.00	(119,340.34)	1,772,118.66	1,615,004.46	157,114.20
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.						
Purchased Professional - Educational Services	000-217-320	30,000.00	(2,590.67)	27,409.33	23,816.20	3,593.13
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.		30,000.00	(2,590.67)	27,409.33	23,816.20	3,593.13
Undist. Expend. - Guidance						
Salaries of Other Professional Staff	000-218-104	1,175,414.00	5,238.07	1,180,652.07	1,142,902.07	37,750.00
Salaries of Secretarial and Clerical Assistants	000-218-105	220,554.00	(2,842.64)	217,711.36	210,576.78	7,134.58
Other Salaries	000-218-110	6,817.00	(6,617.00)			-
Purchased Professional - Educational Services	000-218-320	4,000.00	-	4,000.00		4,000.00
Supplies and Materials	000-218-600	1,510.00	(618.74)	893.26	828.41	64.85
Other Objects	000-218-800	24,955.00	(36.61)	24,918.39	15,845.48	9,272.91
Total Undist. Expend. - Guidance		1,433,050.00	(4,874.92)	1,428,175.08	1,389,952.74	58,222.34
Undist. Expend. - Child Study Team						
Salaries of Other Professional Staff	000-219-104	1,886,279.00	(85,934.55)	1,800,344.45	1,781,434.85	18,909.60
Salaries of Secretarial and Clerical Assistants	000-219-105	218,771.00	3,601.47	222,372.47	215,594.31	6,778.16
Other Salaries	000-219-110	1,515,664.00	(65,019.59)	1,450,644.41	1,364,716.81	85,927.60
Purchased Professional - Educational Services	000-219-320	40,500.00	(4,785.82)	35,714.18	15,512.56	20,201.62
Supplies and Materials	000-219-600	11,000.00	1,928.42	12,928.42	8,395.97	4,532.45
Other Objects	000-219-800	19,100.00	1,531.55	20,631.55	9,592.88	11,038.67
Total Undist. Expend. - Child Study Team		3,691,314.00	(148,678.52)	3,542,635.48	3,395,247.38	147,388.10

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Improvement of Inst. Serv.						
Salaries of Supervisor of Instruction	000-221-102	$ 423,992.00	$ 3,990.34	$ 427,982.34	$ 417,230.60	$ 10,751.74
Salaries of Facilitators, Math and Literacy Coaches	000-221-176	38,789.00	(10,048.00)	28,743.00	28,743.00	-
Supplies and Materials	000-221-600	4,400.00	-	4,400.00	3,981.55	418.45
Other Objects	000-221-800	1,000.00	9.00	1,009.00	1,009.00	-
Total Undist. Expend. - Improvement of Inst. Serv.		468,181.00	(6,046.66)	462,134.34	450,964.15	11,170.19
Undist. Expend. - Edu. Media Serv./Sch. Library						
Salaries	000-222-100	780,437.00	(8,602.87)	771,834.13	732,999.06	38,835.07
Supplies and Materials	000-222-600	108,841.00	939.32	109,780.32	98,691.50	11,088.82
Other Objects	000-222-800	5,149.00	(141.83)	5,007.17	4,426.25	580.92
Total Undist. Expend. - Edu. Media Serv./Sch. Library		894,427.00	(7,805.38)	886,621.62	836,116.81	50,504.81
Undist. Expend. - Instructional Staff Training Serv.						
Salaries of Supervisors of Instruction	000-223-102	40,286.00	899.80	41,185.80	40,503.16	682.64
Purchased Professional - Educational Service	000-223-320	22,100.00	-	22,100.00	19,172.03	2,927.97
Other Purchased Services (400-500 series)	000-223-500	25,300.00	(4,171.00)	21,129.00	19,130.23	1,998.77
Supplies and Materials	000-223-600	3,000.00	(9.00)	2,991.00	2,991.00	-
Other Objects	000-223-800	-	4,000.00	4,000.00	4,000.00	-
Total Undist. Expend. - Instructional Staff Training Serv.		90,686.00	719.80	91,405.80	85,796.42	5,609.38
Undist. Expend. - Supp. Serv. - General Admin.						
Salaries	000-230-100	452,420.00	(8,573.15)	443,846.85	442,502.44	1,344.41
Legal Services	000-230-331	149,950.00	130,865.59	280,815.59	270,615.10	10,200.49
Audit Fees	000-230-332	31,120.00	5,730.00	36,850.00	34,720.00	2,130.00
Purchased Technical Services	000-230-340		2,310.00	2,310.00	2,125.00	185.00
Communications/Telephone	000-230-530	167,852.00	19,940.14	187,792.14	180,118.05	7,674.09
BOE Other Purchased Service	000-230-585	23,000.00	(15,300.00)	7,700.00	6,296.31	1,403.69
Other Purchased Services (400-500 series)	000-230-590	66,518.00	(13,000.00)	53,518.00	53,378.00	138.00
Supplies and Materials	000-230-600	5,800.00	(1,377.58)	4,222.42	2,992.12	1,230.30
Judgments Against the School District	000-230-820		7,500.00	7,500.00	7,500.00	-
Miscellaneous Expenditures	000-230-890	50,120.00	(9,692.56)	40,427.44	39,356.63	1,070.81
Total Undist. Expend. - Supp. Serv. - General Admin.		946,578.00	118,402.44	1,064,980.44	1,039,603.65	25,376.79
Undist. Expend. - Support Serv. - School Admin.						
Salaries of Principals/Assistant Principals	000-240-103	2,283,155.00	32,074.89	2,315,229.89	2,276,018.12	39,211.77
Salaries of Other Professional Staff	000-240-104	404,737.00	(7,533.89)	397,203.31	374,859.84	22,543.47
Salaries of Secretarial and Clerical Assistants	000-240-105	874,446.00	43,002.82	917,448.82	843,162.86	74,285.96
Other Salaries	000-240-110	25,517.00	(25,517.00)			-
Supplies and Materials	000-240-600	500.00	(500.00)			-
Other Objects	000-240-800	33,200.00	653.31	33,853.31	32,137.33	1,715.98
Total Undist. Expend. - Support Serv. - School Admin.		3,621,555.00	42,180.33	3,663,735.33	3,525,978.15	137,757.18
Undist. Expend. - Central Services						
Salaries	000-251-100	1,040,755.00	14,872.80	1,055,627.80	1,044,821.04	10,806.76
Purchased Professional Services	000-251-330	98,350.00	4,781.05	103,131.05	87,633.73	15,497.32
Miscellaneous Purchased Services (400-500 series)	000-251-592	45,700.00	(5,212.86)	40,487.14	30,880.80	9,606.34
Supplies and Materials	000-251-600	18,075.00	(2,505.00)	15,570.00	10,234.55	5,335.45
Other Objects	000-251-890	75,200.00	1,794.09	76,994.09	76,437.00	557.09
Total Undist. Expend. - Central Services		1,278,080.00	13,730.08	1,291,810.08	1,250,007.12	41,802.96
Undist. Expend. - Admin. Info. Technology						
Salaries	000-252-100	376,408.00	11,894.42	388,302.42	381,465.14	6,837.28
Other Purchased Services (400-500 series)	000-252-500	176,950.00	(2,925.00)	174,025.00	121,906.81	52,118.19
Supplies and Materials	000-252-600	89,550.00	(9,506.15)	80,043.85	69,492.57	10,551.28
Other Objects	000-252-800	290,144.00	8,368.64	298,512.64	284,408.73	14,103.91
Total Undist. Expend. - Admin. Info. Technology		933,052.00	7,831.91	940,883.91	857,273.25	83,610.66
Undist. Expend. - Allowable Maint. For School Facilities						
Salaries	000-261-100	642,242.00	(42,336.74)	599,905.28	588,264.23	11,641.03
Cleaning, Repair and Maintenance Services	000-261-420	173,000.00	80,912.35	253,912.35	187,119.03	66,793.32
General Supplies	000-261-610	257,500.00	13,059.71	270,559.71	257,931.02	12,628.69
Total Undist. Expend. - Allowable Maint. For School Facilities		1,072,742.00	51,635.32	1,124,377.32	1,033,314.28	91,063.04
Undist. Expend. - Oth. Oper. & Maint. of Plant						
Salaries	000-262-100	3,213,880.00	(409,560.34)	2,804,319.66	2,635,229.80	169,089.86
Salaries of Non-Instructional Aides	000-262-107	8,731.00	272,083.89	280,814.89	258,331.67	22,483.22
Purchased Professional and Technical Services	000-262-300	31,000.00	4,865.00	35,865.00	27,951.00	7,914.00
Cleaning, Repair and Maintenance Services	000-262-420	75,600.00	(5,143.78)	70,456.22	51,253.60	19,202.62
Other Purchased Property Services	000-262-490	130,550.00	(1,902.54)	128,647.46	115,653.46	12,994.00
Insurance	000-262-520	206,815.00	148,264.13	355,079.13	298,678.33	56,402.80
Miscellaneous Purchased Services	000-262-590	15,000.00	7,604.09	22,604.09	22,478.09	126.00
General Supplies	000-262-610	241,413.00	4,681.62	246,094.62	245,914.83	179.79
Energy (Natural Gas)	000-262-621	673,266.00	(57,165.09)	618,100.91	432,675.76	183,425.15
Energy (Electricity)	000-262-622	838,383.00	(5,837.66)	832,545.34	697,267.14	135,278.20
Other Objects	000-262-800	10,000.00	(4,596.17)	5,403.83	3,391.00	2,012.83
Total Undist. Expend. - Other Oper. & Maint. Of Plant		5,444,638.00	(46,706.85)	5,397,931.15	4,788,822.68	609,108.47
Undist. Expend. - Care and Upkeep of Grounds						
Salaries	000-263-100	241,174.00	(20,000.00)	221,174.00	221,173.68	0.32
Cleaning, Repair and Maintenance Services	000-263-420	48,400.00	(3,579.38)	44,820.62	39,752.68	5,067.94
General Supplies	000-263-610	28,000.00	(7,782.97)	20,217.03	18,895.23	1,321.80
Total Undist. Expend. - Care and Upkeep of Grounds		317,574.00	(31,362.35)	286,211.65	279,821.59	6,390.06
Undist. Expend. - Security						
Salaries	000-266-100	102,858.00	7,133.80	109,991.80	104,001.85	5,989.95
Purchased Professional and Technical Services	000-266-300	64,123.00	1,391.03	65,514.03	65,514.03	-
Total Undist. Expend. - Security		166,981.00	8,524.83	175,505.83	169,515.88	5,989.95
Undist. Expend. - Student Transportation Serv.						
Salaries of Non-Instructional Aides	000-270-107	179,772.00	(7,811.60)	171,960.40	162,104.06	9,856.34
Salaries for Pupil Trans. (Between Home & School) - Regular	000-270-160	168,900.00	431.72	189,331.72	166,874.26	2,457.46
Salaries for Pupil Trans. (Between Home & School) - Special	000-270-161	431,084.00	10,652.07	441,736.07	434,390.07	7,346.00
Salaries for Pupil Trans. (Other than Between Home & School)	000-270-162	234,215.00	(27,789.84)	206,425.16	196,105.75	10,319.41
Management Fees - ESC & CTSA Transportation Programs	000-270-350	19,500.00	2,308.68	21,808.68	21,808.68	-
Cleaning, Repair and Maintenance Services	000-270-420	52,600.00	955.77	53,555.77	53,541.77	14.00
Contr Serv.-Aid in Lieu of Payments-Non Public Scho.	000-270-503	271,000.00	(80,494.44)	190,505.56	179,603.21	10,902.35
Contracted Services (Between Home and School) - Vendors	000-270-511	79,350.00	23,362.96	102,712.96	102,712.96	-
Contracted Services (Other than Between Home and School) - Vend	000-270-512	69,296.00	(12,414.68)	56,881.32	56,881.32	-
Contracted Services (Special Education Students) - Vendors	000-270-514	23,500.00	(18,019.04)	5,480.96		5,480.96
Contracted Services (Regular Students) - ESCs	000-270-517	73,700.00	(2,389.41)	71,310.59	65,905.49	5,405.10
Contracted Services (Special Education Students) - ESCs	000-270-518	602,215.00	50,470.86	652,685.86	647,695.40	4,990.46
Miscellaneous Purchased Services - Transportation	000-270-593	7,000.00	3,135.80	10,135.80	10,135.80	-
Supplies and Materials	000-270-600	81,361.00	(24,631.50)	56,729.50	25,740.42	30,989.08
Miscellaneous Expenditures	000-270-890	500.00	3,078.00	3,578.00	3,578.00	-
Total Undist. Expend. - Student Transportation Serv.		2,293,993.00	(79,154.85)	2,214,838.35	2,127,077.19	87,761.16

Exhibit C-1

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS						
Social Security Contributions	000-291-220	$ 1,163,565.00	$ (17,577.86)	$ 1,145,987.14	$ 1,083,108.98	$ 62,878.16
Other Retirement Contributions - Regular	000-291-241	1,028,027.00	27,319.76	1,055,346.76	1,055,346.76	-
Unemployment Compensation	000-291-250		389,834.24	389,834.24	388,106.15	1,728.09
Workmen's Compensation	000-291-260	488,651.00	49,628.48	538,279.48	493,138.24	45,141.24
Health Benefits	000-291-270	10,911,051.00	1,033,693.62	11,944,744.62	11,387,545.54	557,199.08
Tuition Reimbursement	000-291-280	110,000.00	35,035.00	145,035.00	95,908.80	49,126.20
Other Employee Benefits	000-291-290	73,500.00	209,841.89	283,341.89	76,841.65	206,500.24
TOTAL UNALLOCATED BENEFITS		13,774,794.00	1,727,775.13	15,502,569.13	14,579,996.12	922,573.01
On-behalf TPAF pension Contributions (non-budgeted)			-		2,331,091.00	(2,331,091.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)					2,734,445.84	(2,734,445.84)
TOTAL ON-BEHALF CONTRIBUTIONS		-	-	-	5,065,536.84	(5,065,536.84)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS		13,774,794.00	1,727,775.13	15,502,569.13	19,645,532.96	(4,142,963.83)
TOTAL UNDISTRIBUTED EXPENDITURES		43,950,256.00	1,614,177.78	45,564,433.76	47,633,369.95	(2,068,936.19)
TOTAL GENERAL CURRENT EXPENSE		77,129,217.00	1,786,474.85	78,915,691.85	80,712,808.67	(1,797,116.82)
CAPITAL OUTLAY						
Equipment						
Undistributed Expenditures:						
Undistributed Expenditures - Business/Other Support Services	000-290-730		6,900.00	6,900.00	6,900.00	-
Total Equipment			6,900.00	6,900.00	6,900.00	-
Facilities Acquisition and Construction Services						
Legal Services	000-400-331		16,567.00	16,567.00	12,539.75	4,027.25
Other Purchased Professional and Technical Services	000-400-390		6,452.46	6,452.46	6,264.96	187.50
Land and Improvements	000-400-710	30,749.00	-	30,749.00	-	30,749.00
Total Facilities Acquisition and Construction Services		30,749.00	23,019.46	53,768.46	18,804.71	34,963.75
TOTAL CAPITAL OUTLAY		30,749.00	29,919.46	60,668.46	25,704.71	34,963.75
SPECIAL SCHOOLS						
Summer School - Instruction						
Salaries of Teachers	422-100-101	193,490.00	(1,197.30)	192,292.70	184,602.63	7,690.07
Other Salaries for Instruction	422-100-106	212,770.00	33,313.90	246,083.90	246,083.90	-
Purchased Professional and Technical Services	422-100-300	9,500.00	(4,466.30)	5,033.70	5,033.70	-
General Supplies	422-100-610	2,100.00	(718.16)	1,381.84	1,381.84	-
Total Summer School - Instruction		417,860.00	26,932.14	444,792.14	437,102.07	7,690.07
Total Summer School		417,860.00	26,932.14	444,792.14	437,102.07	7,690.07
Adult Education-Local-Instruction						
Salaries of Teachers	602-100-101	126,948.00	167,161.83	294,109.83	294,109.83	-
Other Salaries for Instruction	602-100-106	105,000.00	197,447.33	302,447.33	302,447.13	0.20
Purchased Professional and Technical Services	602-100-300	74,200.00	32,325.77	106,525.77	106,525.77	-
General Supplies	602-100-610	117,000.00	(17,132.22)	99,867.78	96,559.06	3,308.72
Textbooks	602-100-640	4,500.00	(3,653.81)	846.19		846.19
Other Objects	602-100-800	149,300.00	21,689.28	170,989.28	170,227.38	761.90
Total Adult Education-Local-Instruction		576,948.00	397,838.18	974,786.18	969,869.17	4,917.01
Adult Education-Local -Support Serv.						
Salaries	602-200-100	524,577.00	(56,191.16)	468,385.84	464,361.11	4,024.73
Purchased Professional and Technical Services	602-200-300	87,000.00	(57,304.00)	29,696.00	29,019.65	676.35
Other Purchased Services (400-500 series)	602-200-500	242,335.00	(35,064.34)	207,270.66	200,919.33	6,351.33
Supplies and Materials	602-200-600	8,700.00	(1,809.46)	6,890.54	6,890.54	-
Other Objects	602-200-800	203,359.00	31,626.81	234,985.81	228,297.56	6,688.25
Total Adult Education-Local -Support Serv.		1,065,971.00	(118,742.15)	947,228.85	929,488.19	17,740.66
Total Adult Education-Local		1,642,919.00	279,096.03	1,922,015.03	1,899,357.36	22,657.67
Even.-Sch.-Foreign-Born-Local-Inst.						
Textbooks	831-100-640	400.00	-	400.00		400.00
Total Even.-Sch.-Foreign-Born-Local-Inst.		400.00	-	400.00	-	400.00
Even.-Sch.-Foreign-Born-Local-Sup. Serv.						
Personal Services - Employee Benefits	631-200-200	68.00	-	68.00		68.00
Supplies and Materials	631-200-600	100.00	-	100.00	-	100.00
Total Even.-Sch.-Foreign-Born-Local-Sup. Serv.		168.00	-	168.00	-	168.00
Total Even.-Sch.-Foreign-Born-Local		568.00	-	568.00	-	568.00
TOTAL SPECIAL SCHOOLS		2,061,347.00	306,028.17	2,367,375.17	2,336,459.43	30,915.74
Transfer of Funds to Charter Schools	000-100-56X	10,731.00	44,335.00	55,066.00	55,066.00	-
TOTAL EXPENDITURES		79,232,044.00	2,166,757.48	81,398,801.48	83,130,038.81	(1,731,237.33)

Exhibit C-1

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (809,479.00)	$ (1,898,305.87)	$ (2,707,784.87)	$ (120,391.88)	$ 2,587,392.99
Other Financing Sources (Uses):					
Operating Transfer in:					
Transfer from Capital Projects Fund		-		21,460.52	21,460.52
Operating Transfer Out:					
Transfer to Capital Projects Fund	(529,100.00)	-	(529,100.00)	(529,100.00)	-
Total Other Financing Sources (Uses)	(529,100.00)	-	(529,100.00)	(507,639.48)	21,460.52
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(1,338,579.00)	(1,898,305.87)	(3,236,884.87)	(628,031.36)	2,608,853.51
Fund Balance, July 1	4,680,898.48	-	4,680,898.48	4,680,898.48	-
Fund Balance, June 30	$ 3,342,319.48	$ (1,898,305.87)	$ 1,444,013.61	$ 4,052,867.12	$ 2,608,853.51
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses):					
Increase in Capital Reserve	$ 1,000.00	-	$ 1,000.00	$ 25,296.87	$ 24,296.87
Withdrawal from Capital Reserve	(559,849.00)	-	(559,849.00)	(529,100.00)	30,749.00
Adjustment for Prior Year Encumbrances		(918,305.87)	(918,305.87)	(918,305.87)	-
Budgeted Fund Balance	(779,730.00)	(980,000.00)	(1,759,730.00)	794,077.64	2,553,807.64
Total	$ (1,338,579.00)	$ (1,898,305.87)	$ (3,236,884.87)	$ (628,031.36)	$ 2,608,853.51

Analysis of Fund Balance June 30, 2010:	
Reserved:	
Encumbrances	$ 1,498,588.51
Capital Reserve Account	117,477.52
Unreserved:	
Designated for Subsequent Year's Expenditures	1,200,000.00
Undesignated	1,236,801.09
	$ 4,052,867.12
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:	
Fund Balance June 30, 2010	$ 4,052,867.12
Last Two Current Year State Aid Payments Not Realized on GAAP Basis	(425,561.00)
	$ 3,627,306.12

Exhibit C-1b

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
American Recovery and Reinvestment Act - Budget and Actual
General Fund
Fiscal Year Ended June 30, 2010

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:						
Federal Sources:						
American Recovery and Reinvestment Act:						
Education Stabilization Fund		201,944.00	-	201,944.00	201,944.00	
Government Services Fund		7,818.00	-	7,818.00	7,818.00	-
Total - Federal Sources		209,762.00	-	209,762.00	209,762.00	-
TOTAL REVENUES		209,762.00	-	209,762.00	209,762.00	-
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction						
American Recovery and Reinvestment Act:						
Education Stabilization Fund						
Grades 6-8 - Salaries of Teachers	130-100-101	201,944.00	-	201,944.00	201,944.00	-
Government Services Fund						
Grades 6-8 - Salaries of Teachers	130-100-101	7,818.00	-	7,818.00	7,818.00	-
TOTAL REGULAR PROGRAMS - INSTRUCTION		209,762.00	-	209,762.00	209,762.00	-
TOTAL GENERAL CURRENT EXPENSE		209,762.00	-	209,762.00	209,762.00	-
TOTAL EXPENDITURES		209,762.00	-	209,762.00	209,762.00	-

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	$ 321,975.00	$ 12,387.50	$ 334,362.50	$ 267,811.19	$ 66,551.31
Federal Sources	1,357,152.00	1,198,061.94	2,555,213.94	2,364,690.96	190,522.98
Local Sources	50,000.00	83,827.32	133,827.32	101,765.17	32,062.15
Total Revenues	$ 1,729,127.00	$ 1,294,276.76	$ 3,023,403.76	$ 2,734,267.32	$ 289,136.44
EXPENDITURES:					
Instruction					
Personal Services - Salaries	$ 247,100.00	$ 308,010.63	$ 555,110.63	$ 540,793.03	$ 14,317.60
Purchased Professional and Technical Services	495,786.00	(40,962.08)	454,823.92	453,950.97	872.95
Other Purchased Services (400-500 series)	570,000.00	361,639.82	931,639.82	911,281.37	20,358.45
General Supplies	2,050.00	364,091.61	366,141.61	259,094.63	107,046.98
Textbooks	15,507.00	4,805.00	20,312.00	20,312.00	-
Other Objects	-	2,268.62	2,268.62	2,268.62	-
Total Instruction	1,330,443.00	999,853.60	2,330,296.60	2,187,700.62	142,595.98
Support Services					
Personal Services - Salaries	39,800.00	26,195.43	65,995.43	33,697.43	32,298.00
Personal Services - Employee Benefits	51,234.00	25,399.83	76,633.83	64,205.77	12,428.06
Purchased Professional and Technical Services	20,933.00	122,616.19	143,549.19	108,881.87	34,667.32
Purchased Professional - Educational Services	286,717.00	13,486.65	300,203.65	234,689.66	65,513.99
Other Purchased Services (400-500 series)		2,500.00	2,500.00	991.15	1,508.85
Supplies and Materials	-	15,827.06	15,827.06	15,702.82	124.24
Total Support Services	398,684.00	206,025.16	604,709.16	458,168.70	146,540.46
Facilities Acquisition and Construction Services:					
Instructional Equipment		6,500.00	6,500.00	6,500.00	-
Noninstructional Equipment		81,898.00	81,898.00	81,898.00	-
Total Facilities Acquisition and Construction Services	-	88,398.00	88,398.00	88,398.00	-
Total Expenditures	$ 1,729,127.00	$ 1,294,276.76	$ 3,023,403.76	$ 2,734,267.32	$ 289,136.44

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2010

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

	Exhibit	General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1&C-2]	$ 83,009,646.93	$ 2,734,267.32
Difference - budget to GAAP:			
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense in accordance with GASB 33.		(75,848.00)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	$ 82,933,798.93	$ 2,734,267.32
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1&C-2]	$ 83,130,038.81	$ 2,734,267.32
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for *budgetary* purposes, but in the year the supplies are received for *financial reporting* purposes.			
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund		-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	$ 83,130,038.81	$ 2,734,267.32

OTHER SUPPLEMENTARY INFORMATION

Section E

SPECIAL REVENUE FUND

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

		Total	State Aid	Federal Aid	Local Aid
REVENUES					
State Sources		$ 267,811.19	$ 267,811.19	$ -	$ -
Federal Sources		2,364,690.96	-	2,364,690.96	-
Local Sources		101,765.17	-	-	101,765.17
Total Revenues		$ 2,734,267.32	$ 267,811.19	$ 2,364,690.96	$ 101,765.17
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	100-100	$ 540,793.03	$ -	$ 483,594.40	$ 57,198.63
Purchased Professional and Technical Services	100-300	453,950.97	-	452,052.27	1,898.70
Other Purchased Services (400-500 series)	100-500	911,281.37	-	911,281.37	-
General Supplies	100-610	259,094.63	-	238,514.40	20,580.23
Textbooks	100-640	20,312.00	20,312.00	-	-
Other Objects	100-800	2,268.62	-	2,268.62	-
Total Instruction		2,187,700.62	20,312.00	2,087,711.06	79,677.56
Support Services:					
Personal Services - Salaries	200-100	33,697.43	-	33,697.43	-
Personal Services - Employee Benefits	200-200	64,205.77	-	64,205.77	-
Purchased Professional and Technical Services	200-300	108,881.87	23,469.95	85,405.92	6.00
Purchased Professional - Educational Services	200-320	234,689.66	224,029.24	10,660.42	-
Other Purchased Services (400-500 series)	200-500	991.15	-	991.15	-
Supplies and Materials	200-600	15,702.82	-	121.21	15,581.61
Total Support Services		458,168.70	247,499.19	195,081.90	15,587.61
Facilities Acquisition and Const. Serv.:					
Instructional Equipment	400-731	6,500.00	-	-	6,500.00
Noninstructional Equipment	400-732	81,898.00	-	81,898.00	-
Total Facilities Acquisition and Const. Serv.		88,398.00	-	81,898.00	6,500.00
Total Expenditures		$ 2,734,267.32	$ 267,811.19	$ 2,364,690.96	$ 101,765.17

Exhibit E-1a

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Special Revenue Fund
Combining Schedule of State Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

		Total	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Auxiliary Services	N.J. Nonpublic Handicapped Services	N.J. Nonpublic Nursing Services	Vocational Education for the Deaf	Other
REVENUES								
State Sources		$ 267,811.19	$ 20,312.00	$ 145,905.75	$ 72,809.06	$ 23,469.95	$ 1,173.00	$ 4,141.43
Total State Revenues		$ 267,811.19	$ 20,312.00	$ 145,905.75	$ 72,809.06	$ 23,469.95	$ 1,173.00	$ 4,141.43
EXPENDITURES:								
Instruction:								
Textbooks	100-640	$ 20,312.00	$ 20,312.00	$ -	$ -	$ -	$ -	$ -
Total Instruction		20,312.00	20,312.00					
Support Services:								
Purchased Professional and Technical Service	200-300	23,469.95				23,469.95		
Purchased Professional - Educational Services	200-320	224,029.24		145,905.75	72,809.06	-	1,173.00	4,141.43
Total Support Services		247,499.19	-	145,905.75	72,809.06	23,469.95	1,173.00	4,141.43
Total Expenditures		$ 267,811.19	$ 20,312.00	$ 145,905.75	$ 72,809.06	$ 23,469.95	$ 1,173.00	$ 4,141.43

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Special Revenue Fund
Combining Schedule of Federal Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

		Total	E.S.E.A. Title I	E.S.E.A. Title II	E.S.E.A. Title III	E.S.E.A. Title IV	E.S.E.A. Title V	Community Development	I.D.E.A. Part B Basic	I.D.E.A. Part B Preschool	ARRA I.D.E.A. Part B Basic	ARRA I.D.E.A. Part B Preschool
REVENUES												
Federal Sources		$ 2,364,690.96	$ 119,948.51	$ 103,564.05	$ 50,316.69	$ 8,567.55	$ 32.00	$ 0.02	$ 1,105,390.30	$ 9,584.77	$ 956,665.24	$ 10,621.83
Total Federal Revenues		$ 2,364,690.96	$ 119,948.51	$ 103,564.05	$ 50,316.69	$ 8,567.55	$ 32.00	$ 0.02	$ 1,105,390.30	$ 9,584.77	$ 956,665.24	$ 10,621.83
EXPENDITURES:												
Instruction:												
Personal Services - Salaries	100-100	$ 483,594.40	$ 93,000.00	$ 53,000.00	$ 25,053.80	$ 5,250.00					$ 305,790.60	$ 1,500.00
Purchased Professional and Technical Services	100-300	452,052.27							442,467.50	9,584.77		
Other Purchased Services (400-500 series)	100-500	911,281.37							581,639.82		329,641.55	
General Supplies	100-610	238,514.40	5,191.83	9,398.80	7,108.60	450.34		0.02	16,306.68		191,051.30	9,006.83
Other Objects	100-800	2,268.62	-	-	2,268.62	-		-	-	-	-	-
Total Instruction		2,087,711.06	98,191.83	62,398.80	34,431.02	5,700.34		0.02	1,040,414.00	9,584.77	826,483.45	10,506.83
Support Services:												
Personal Services - Salaries	200-100	33,697.43		23,000.00	10,697.43						35,192.64	115.00
Personal Services - Employee Benefits	200-200	64,205.77	13,587.30	9,502.80	5,041.00	767.03					12,100.00	
Purchased Professional and Technical Services	200-300	85,405.92	8,169.38	13.00	147.24				64,976.30			
Purchased Professional - Educational Services	200-320	10,660.42		8,649.45		2,010.97					991.15	
Other Purchased Services (400-500 series)	200-500	991.15										
Supplies and Materials	200-600	121.21	-	-	-	89.21	32.00					
Total Support Services		195,081.90	21,756.68	41,165.25	15,885.67	2,867.21	32.00		64,976.30		48,283.79	115.00
Facilities Acquisition and Const. Serv.:												
Noninstructional Equipment	400-732	81,898.00									81,898.00	
Total Facilities Acquisition and Const. Serv.		81,898.00	-	-	-	-	-	-	-	-	81,898.00	-
Total Expenditures		$ 2,364,690.96	$ 119,948.51	$ 103,564.05	$ 50,316.69	$ 8,567.55	$ 32.00	$ 0.02	$ 1,105,390.30	$ 9,584.77	$ 956,665.24	$ 10,621.83

Exhibit E-1c

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Special Revenue Fund
Combining Schedule of Local Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

		Total	Rebel	Character Education	Environmental Grants	World Language Grant	Various Donations
REVENUES							
Local Sources		$ 101,765.17	$ 17,495.00	$ 964.01	$ 9,921.98	$ 55,000.00	$ 18,384.18
Total Local Revenues		$ 101,765.17	$ 17,495.00	$ 964.01	$ 9,921.98	$ 55,000.00	$ 18,384.18
EXPENDITURES:							
Instruction:							
Personal Services - Salaries	100-100	$ 57,198.63	$ 2,000.00	$ -	$ -	$ 55,000.00	$ 198.63
Purchased Professional and Technical Services	100-300	1,898.70			1,878.05	-	20.65
General Supplies	100-610	20,580.23	-	877.40	1,543.93	-	18,158.90
Total Instruction		79,677.56	2,000.00	877.40	3,421.98	55,000.00	18,378.18
Support Services:							
Purchased Professional and Technical Services	200-300	6.00			-	-	6.00
Supplies & Materials	200-600	15,581.61	15,495.00	86.61	-	-	-
Total Support Services		15,587.61	15,495.00	86.61	-	-	6.00
Facilities Acquisition and Const. Serv.:							
Instructional Equipment	400-731	6,500.00			6,500.00	-	
Total Facilities Acquisition and Const. Serv.		6,500.00	-	-	6,500.00	-	-
Total Expenditures		$ 101,765.17	$ 17,495.00	$ 964.01	$ 9,921.98	$ 55,000.00	$ 18,384.18

Section F

CAPITAL PROJECTS FUND

Exhibit F-1

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2010

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/10
			Prior Years	Current Year	
Additions/Renovations - Lyncrest Elementary School	3/9/04	1,892,436.60	1,690,308.61	-	202,127.99
Additions/Renovations - Radburn Elementary School	3/9/04	4,699,395.23	5,289,768.77	-	(590,373.54)
Additions/Renovations - Warren Point Elementary School	3/9/04	2,980,473.97	2,871,481.06	-	108,992.91
Additions/Renovations - High School	3/9/04	20,144,897.20	19,720,144.14	128,061.18	296,691.88
Renovations - John A. Forrest Elementary School	3/9/04	576,250.00	606,363.78	-	(30,113.78)
Renovations - Henry B. Milnes Elementary School	3/9/04	142,372.94	129,579.72	-	12,793.22
Renovations - Westmoreland Elementary School	3/9/04	107,938.46	97,349.39	-	10,589.07
Renovations - Thomas Jefferson Middle School	3/9/04	1,133,750.00	1,135,702.28	20,050.00	(22,002.28)
Renovations - Memorial Middle School	3/9/04	106,166.46	78,473.07	10,492.65	17,200.74
Window Replacement - High School	5/27/09	164,227.00	-	137,800.00	26,427.00
Window Replacement - Memorial Middle School	5/27/09	215,681.00	-	215,681.00	-
Boiler Replacement - Edison School	5/27/09	184,298.50	-	163,637.50	20,661.00
Boiler Replacement - Westmoreland Elementary School	5/27/09	251,612.98	-	235,485.98	16,127.00
Bleacher Upgrades - High School	4/21/09	61,200.00	-	61,200.00	-
Totals		$ 32,660,700.34	$ 31,619,170.82	$ 972,408.31	$ 69,121.21

Exhibit F-2

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2010

REVENUES AND OTHER FINANCING SOURCES	
State Sources - SDA Grant	$ -
Bond Proceeds	-
Capital Leases	-
Transfer from capital reserve	507,639.48
Transfer from capital outlay	-
Total Revenues	507,639.48
EXPENDITURES AND OTHER FINANCING USES	
Equipment (73X)	30,328.18
Salaries (100)	-
Legal Services (331)	-
Other Purchased Professional and Technical Services (390)	1,909.00
Construction Services (450)	940,171.13
General Supplies (610)	-
Land and Improvements (710)	-
Lease Purchase Agreements - Principal (721)	-
Buildings other than Lease Purchase Agreements - Principal (722)	-
Other Objects (800)	-
Total Expenditures	972,408.31
Excess (deficiency) of revenues over (under) expenditures	(464,768.83)
Fund Balance - July 1	533,890.04
Fund Balance - June 30	$ 69,121.21

Exhibit F-2a

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Additions/Renovations - Lyncrest Elementary School
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	$ 342,510.00	$ -	$ 342,510.00	$ 342,510.00
Bond Proceeds	1,549,926.60		1,549,926.60	1,549,926.60
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	1,892,436.60	-	1,892,436.60	1,892,436.60
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)	45,991.90		45,991.90	30,000.00
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	308,506.40		308,506.40	275,000.00
Construction Services (450)	1,335,810.31		1,335,810.31	1,587,436.60
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	1,690,308.61	-	1,690,308.61	1,892,436.60
Excess (deficiency) of revenues over (under) expenditures	202,127.99	-	202,127.99	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP1450-100-04-00DH
Grant Date	12/10/04
Bond Authorization Date	3/9/04
Bonds Authorized	$ 1,549,926.60
Bonds Issued	$ 1,549,926.60
Original Authorized Cost	$ 1,892,436.60
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 1,892,436.60
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	89.32%
Original Target Completion Date	12/14/05
Revised Target Completion Date	12/14/05

Exhibit F-2b

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Additions/Renovations - Radburn Elementary School
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	$ 1,002,617.00	$ -	$ 1,002,617.00	$ 1,002,617.00
Bond Proceeds	3,696,778.23		3,696,778.23	3,696,778.23
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	4,699,395.23	-	4,699,395.23	4,699,395.23
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)	98,542.28		98,542.28	56,000.00
Salaries (100)	-		-	
Legal Services (331)	-		-	
Other Purchased Professional and Technical Services (390)	649,738.95		649,738.95	640,000.00
Construction Services (450)	4,541,487.54		4,541,487.54	4,003,395.23
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	5,289,768.77	-	5,289,768.77	4,699,395.23
Excess (deficiency) of revenues over (under) expenditures	(590,373.54)	-	(590,373.54)	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP1450-110-04-00EI
Grant Date	12/10/04
Bond Authorization Date	3/9/04
Bonds Authorized	$ 3,696,778.23
Bonds Issued	$ 3,696,778.23
Original Authorized Cost	$ 4,699,395.23
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 4,699,395.23
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	112.56%
Original Target Completion Date	9/1/06
Revised Target Completion Date	9/1/06

Exhibit F-2c

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Additions/Renovations - Warren Point Elementary School
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	$ 742,051.00	$ -	$ 742,051.00	$ 742,051.00
Bond Proceeds	2,238,422.97		2,238,422.97	2,238,422.97
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	2,980,473.97	-	2,980,473.97	2,980,473.97
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)	66,628.26		66,628.26	45,000.00
Salaries (100)	-		-	
Legal Services (331)	-		-	
Other Purchased Professional and Technical Services (390)	345,349.55		345,349.55	350,000.00
Construction Services (450)	2,459,503.25		2,459,503.25	2,585,473.97
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	2,871,481.06	-	2,871,481.06	2,980,473.97
Excess (deficiency) of revenues over (under) expenditures	108,992.91	-	108,992.91	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP1450-140-04-00EJ
Grant Date	12/10/04
Bond Authorization Date	3/9/04
Bonds Authorized	$ 2,238,422.97
Bonds Issued	$ 2,238,422.97
Original Authorized Cost	$ 2,980,473.97
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 2,980,473.97
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	96.34%
Original Target Completion Date	12/14/05
Revised Target Completion Date	12/14/05

Exhibit F-2d

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Additions/Renovations - High School
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	$ 5,263,405.00	$ -	$ 5,263,405.00	$ 5,263,405.00
Bond Proceeds	14,881,492.20		14,881,492.20	14,881,745.20
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	20,144,897.20	-	20,144,897.20	20,145,150.20
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)	1,025,388.04	30,328.18	1,055,716.22	639,200.00
Salaries (100)	-		-	
Legal Services (331)	-		-	
Other Purchased Professional and Technical Services (390)	2,279,107.24	1,909.00	2,281,016.24	2,072,390.99
Construction Services (450)	16,415,648.86	95,824.00	16,511,472.86	17,433,559.21
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	19,720,144.14	128,061.18	19,848,205.32	20,145,150.20
Excess (deficiency) of revenues over (under) expenditures	424,753.06	(128,061.18)	296,691.88	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP1450-050-04-00EH
Grant Date	12/10/04
Bond Authorization Date	3/9/04
Bonds Authorized	$ 14,881,745.20
Bonds Issued	$ 14,881,492.20
Original Authorized Cost	$ 20,145,150.20
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 20,145,150.20
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	98.53%
Original Target Completion Date	9/16/06
Revised Target Completion Date	9/16/06

Exhibit F-2e

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Renovations - John A. Forrest Elementary School
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	$ 198,120.00	$ -	$ 198,120.00	$ 198,120.00
Bond Proceeds	378,130.00		378,130.00	378,130.00
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	576,250.00	-	576,250.00	576,250.00
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	81,029.28		81,029.28	69,150.00
Construction Services (450)	525,334.50		525,334.50	507,100.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	606,363.78	-	606,363.78	576,250.00
Excess (deficiency) of revenues over (under) expenditures	(30,113.78)	-	(30,113.78)	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP1450-085-04-00DJ
Grant Date	5/10/04
Bond Authorization Date	3/9/04
Bonds Authorized	$ 378,130.00
Bonds Issued	$ 378,130.00
Original Authorized Cost	$ 576,250.00
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 576,250.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	105.23%
Original Target Completion Date	8/31/05
Revised Target Completion Date	8/31/05

Exhibit F-2f

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Renovations - Henry B. Milnes Elementary School
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	$ 50,122.94	$ -	$ 50,122.94	$ 50,122.94
Bond Proceeds	92,250.00		92,250.00	92,250.00
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	142,372.94	-	142,372.94	142,372.94
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	22,853.39		22,853.39	24,000.00
Construction Services (450)	106,726.33		106,726.33	118,372.94
General Supplies (610)			-	-
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	129,579.72	-	129,579.72	142,372.94
Excess (deficiency) of revenues over (under) expenditures	12,793.22	-	12,793.22	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP1450-080-04-00DL
Grant Date	5/10/04
Bond Authorization Date	3/9/04
Bonds Authorized	$ 92,250.00
Bonds Issued	$ 92,250.00
Original Authorized Cost	$ 153,750.00
Additional Authorized Cost	$ (11,377.06)
Revised Authorized Cost	$ 142,372.94
Percentage Increase over Original Authorized Cost	-7.40%
Percentage Completed	91.01%
Original Target Completion Date	7/18/05
Revised Target Completion Date	7/18/05

Exhibit F-2g

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Renovations - Westmoreland Elementary School
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	$ 38,188.46	$ -	$ 38,188.46	$ 38,188.46
Bond Proceeds	69,750.00		69,750.00	69,750.00
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	107,938.46	-	107,938.46	107,938.46
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	17,543.58		17,543.58	18,000.00
Construction Services (450)	79,805.81		79,805.81	89,938.46
General Supplies (610)			-	-
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	97,349.39	-	97,349.39	107,938.46
Excess (deficiency) of revenues over (under) expenditures	10,589.07	-	10,589.07	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP1450-160-04-00DK
Grant Date	5/27/04
Bond Authorization Date	3/9/04
Bonds Authorized	$ 69,750.00
Bonds Issued	$ 69,750.00
Original Authorized Cost	$ 116,250.00
Additional Authorized Cost	$ (8,311.54)
Revised Authorized Cost	$ 107,938.46
Percentage Increase over Original Authorized Cost	-7.15%
Percentage Completed	90.19%
Original Target Completion Date	8/26/05
Revised Target Completion Date	8/26/05

Exhibit F-2h

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Renovations - Thomas Jefferson Middle School
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	$ 453,500.00	$ -	$ 453,500.00	$ 453,500.00
Bond Proceeds	680,250.00		680,250.00	680,250.00
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	1,133,750.00	-	1,133,750.00	1,133,750.00
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	167,885.45		167,885.45	136,050.00
Construction Services (450)	967,816.83	20,050.00	987,866.83	997,700.00
General Supplies (610)			-	-
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	1,135,702.28	20,050.00	1,155,752.28	1,133,750.00
Excess (deficiency) of revenues over (under) expenditures	(1,952.28)	(20,050.00)	(22,002.28)	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP1450-060-04-00DI
Grant Date	5/10/04
Bond Authorization Date	3/9/04
Bonds Authorized	$ 680,250.00
Bonds Issued	$ 680,250.00
Original Authorized Cost	$ 1,133,750.00
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 1,133,750.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	101.94%
Original Target Completion Date	8/26/05
Revised Target Completion Date	8/26/05

Exhibit F-2i

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Renovations - Memorial Middle School
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	$ 31,166.46	$ -	$ 31,166.46	$ 31,166.46
Bond Proceeds	75,000.00		75,000.00	75,000.00
Capital Leases			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	106,166.46	-	106,166.46	106,166.46
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	18,586.14		18,586.14	20,000.00
Construction Services (450)	59,886.93	10,492.65	70,379.58	86,166.46
General Supplies (610)			-	-
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	78,473.07	10,492.65	88,965.72	106,166.46
Excess (deficiency) of revenues over (under) expenditures	27,693.39	(10,492.65)	17,200.74	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP1450-070-04-00DM
Grant Date	5/10/04
Bond Authorization Date	3/9/04
Bonds Authorized	$ 75,000.00
Bonds Issued	$ 75,000.00
Original Authorized Cost	$ 125,000.00
Additional Authorized Cost	$ (18,833.54)
Revised Authorized Cost	$ 125,000.00
Percentage Increase over Original Authorized Cost	-15.07%
Percentage Completed	83.80%
Original Target Completion Date	8/31/05
Revised Target Completion Date	5/4/05

Exhibit F-2j

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Window Replacement - High School
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	$ 81,547.00	$ -	$ 81,547.00	$ 81,547.00
Bond Proceeds			-	
Capital Leases			-	
Transfer from capital reserve		82,680.00	82,680.00	122,321.00
Transfer from capital outlay	-	-	-	-
Total Revenues	81,547.00	82,680.00	164,227.00	203,868.00
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)			-	
Construction Services (450)		137,800.00	137,800.00	203,868.00
General Supplies (610)			-	-
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	-	137,800.00	137,800.00	203,868.00
Excess (deficiency) of revenues over (under) expenditures	81,547.00	(55,120.00)	26,427.00	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP1450-050-09-0KAA
Grant Date	5/27/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 203,868.00
Additional Authorized Cost	
Revised Authorized Cost	$ 203,868.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	67.59%
Original Target Completion Date	6/30/10
Revised Target Completion Date	6/30/10

Exhibit F-2k

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Window Replacement - Memorial Middle School
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	$ 87,356.00	$ -	$ 87,356.00	$ 87,356.00
Bond Proceeds			-	
Capital Leases			-	
Transfer from capital reserve		128,325.00	128,325.00	131,034.00
Transfer from capital outlay	-	-	-	-
Total Revenues	87,356.00	128,325.00	215,681.00	218,390.00
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)			-	
Construction Services (450)		215,681.00	215,681.00	218,390.00
General Supplies (610)			-	-
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	-	215,681.00	215,681.00	218,390.00
Excess (deficiency) of revenues over (under) expenditures	87,356.00	(87,356.00)	-	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP1450-070-09-0KAB
Grant Date	5/27/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 218,390.00
Additional Authorized Cost	
Revised Authorized Cost	$ 218,390.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	98.76%
Original Target Completion Date	6/30/10
Revised Target Completion Date	6/30/10

Exhibit F-2I

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Boiler Replacement - Edison School
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	$ 90,156.00	$ -	$ 90,156.00	$ 90,156.00
Bond Proceeds			-	
Capital Leases			-	
Transfer from capital reserve		94,142.50	94,142.50	135,234.00
Transfer from capital outlay	-	-	-	-
Total Revenues	90,156.00	94,142.50	184,298.50	225,390.00
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)			-	
Construction Services (450)		163,637.50	163,637.50	225,390.00
General Supplies (610)			-	-
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	-	163,637.50	163,637.50	225,390.00
Excess (deficiency) of revenues over (under) expenditures	90,156.00	(69,495.00)	20,661.00	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP1450-130-09-0KAC
Grant Date	5/27/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 225,390.00
Additional Authorized Cost	
Revised Authorized Cost	$ 225,390.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	72.60%
Original Target Completion Date	9/1/09
Revised Target Completion Date	9/1/09

Exhibit F-2m

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Boiler Replacement - Westmoreland Elementary School
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	$ 110,321.00	$ -	$ 110,321.00	$ 110,321.00
Bond Proceeds			-	
Capital Leases			-	
Transfer from capital reserve		141,291.98	141,291.98	165,482.00
Transfer from capital outlay	-	-	-	-
Total Revenues	110,321.00	141,291.98	251,612.98	275,803.00
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)			-	
Construction Services (450)		235,485.98	235,485.98	275,803.00
General Supplies (610)			-	-
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	-	235,485.98	235,485.98	275,803.00
Excess (deficiency) of revenues over (under) expenditures	110,321.00	(94,194.00)	16,127.00	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP1450-160-09-0KAD
Grant Date	5/27/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 275,803.00
Additional Authorized Cost	
Revised Authorized Cost	$ 275,803.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	85.38%
Original Target Completion Date	9/1/09
Revised Target Completion Date	9/1/09

Exhibit F-2n

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Bleacher Upgrades - High School
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	$ -	$ -	$ -	$ -
Bond Proceeds			-	
Capital Leases			-	
Transfer from capital reserve		61,200.00	61,200.00	61,200.00
Transfer from capital outlay	-	-	-	-
Total Revenues	-	61,200.00	61,200.00	61,200.00
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)			-	
Construction Services (450)		61,200.00	61,200.00	61,200.00
General Supplies (610)			-	-
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	-	61,200.00	61,200.00	61,200.00
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-

ADDITIONAL PROJECT INFORMATION	
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 120,050.00
Additional Authorized Cost	$ (58,850.00)
Revised Authorized Cost	$ 61,200.00
Percentage Increase over Original Authorized Cost	-49.02%
Percentage Completed	100.00%
Original Target Completion Date	9/1/09
Revised Target Completion Date	9/1/09

Section G

PROPRIETARY FUNDS

ENTERPRISE FUND

INTERNAL SERVICE FUND

Section H

FIDUCIARY FUND

Exhibit H-3

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2010

Schools	Balance June 30, 2009	Cash Receipts	Cash Disbursements	Balance June 30, 2010
Student Activity Funds	$ 238,196.79	$ 678,751.42	$ 667,744.45	$ 249,203.76
Athletic Fund	291.97	54,477.89	54,748.50	21.36
	$ 238,488.76	$ 733,229.31	$ 722,492.95	$ 249,225.12

Exhibit H-4

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2010

	Balance June 30, 2009	Cash Receipts	Cash Disbursements	Balance June 30, 2010
Payroll Deductions and Withholdings	$ 473,396.27	$ 25,403,682.00	$ 25,386,670.49	$ 490,407.78
Net Salaries and Wages	-	33,432,387.40	33,432,387.40	-
Interfunds Payable	18,306.70	12,382.68	21,259.55	9,429.83
	$ 491,702.97	$ 58,848,452.08	$ 58,840,317.44	$ 499,837.61

Section I

LONG – TERM DEBT

Exhibit I-1

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Long - Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2010

Purpose	Date of Issue	Amount of Issue	Annual Maturities of Bonds Outstanding June 30, 2010 Date	Amount	Interest Rate	Balance June 30, 2009	Issued Current Year	Retired Current Year	Balance June 30, 2010
Refunding Bonds	8/1/03	2,215,000.00	10/1/10	250,000.00	3.30%	$ 1,285,000.00		$ 225,000.00	1,060,000.00
			10/1/11	260,000.00	3.55%				
			10/1/12	270,000.00	3.70%				
			10/1/13	280,000.00	3.80%				
Reroofing of Schools (N.J.E.D.A. Loans)	10/1/94	3,000,000.00	7/15/10	42,802.93	1.5% and	$ 221,754.72		$ 41,422.77	180,331.95
			7/15/11	44,254.41	5.288%				
			7/15/12	45,816.89					
			7/15/13	47,457.72					
Various Improvements	11/15/04	23,662,000.00	2/15/11	705,000.00	4.25%	21,232,000.00		670,000.00	20,562,000.00
			2/15/12	735,000.00	4.25%				
			2/15/13	770,000.00	4.25%				
			2/15/14	810,000.00	4.25%				
			2/15/15	850,000.00	4.25%				
			2/15/16	895,000.00	4.25%				
			2/15/17	940,000.00	4.25%				
			2/15/18	985,000.00	4.25%				
			2/15/19	1,035,000.00	4.25%				
			2/15/20	1,085,000.00	4.25%				
			2/15/21	1,140,000.00	4.50%				
			2/15/22-27	1,180,000.00	4.50%				
			2/15/28-29	1,180,000.00	4.60%				
			2/15/30	1,172,000.00	4.625%	-	-	-	-
						$ 22,738,754.72	$ -	$ 936,422.77	$ 21,802,331.95

Exhibit I-3

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 1,848,138.00	$ -	$ 1,848,138.00	$ 1,848,138.00	$ -
Total Revenues	1,848,138.00		1,848,138.00	1,848,138.00	
EXPENDITURES:					
Regular Debt Service:					
Interest	986,140.14		986,140.14	986,140.14	-
Redemption of Principal	936,422.86		936,422.86	936,422.77	0.09
Total Regular Debt Service	1,922,563.00		1,922,563.00	1,922,562.91	0.09
Total Expenditures	1,922,563.00		1,922,563.00	1,922,562.91	0.09
Excess (Deficiency) of Revenues Over (Under) Expenditures	(74,425.00)		(74,425.00)	(74,424.91)	(0.09)
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund	-		-	6,651.60	6,651.60
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(74,425.00)		(74,425.00)	(67,773.31)	6,651.51
Fund Balance, July 1	92,199.24	-	92,199.24	92,199.24	-
Fund Balance, June 30	$ 17,774.24	$ -	$ 17,774.24	$ 24,425.93	$ 6,651.51
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures:					
Budgeted Fund Balance	$ (74,425.00)	$ -	$ (74,425.00)	$ (67,773.31)	$ 6,651.51

STATISTICAL SECTION
(UNAUDITED)

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

STATISTICAL SECTION (Unaudited)

Financial Trends

J-1	Net Assets by Component
J-2	Changes in Net Assets
J-3	Fund Balances - Governmental Funds
J-4	Changes in Fund Balances - Governmental Funds
J-5	General Fund - Other Local Revenue by Source

Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property
J-7	Direct and Overlapping Property Tax Rates
J-8	Principal Property Taxpayers
J-9	Property Tax Levies and Collections

Debt Capacity

J-10	Ratios of Outstanding Debt by Type
J-11	Ratios of Net General Bonded Debt Outstanding
J-12	Direct and Overlapping Governmental Activities Debt as of June 30
J-13	Legal Debt Margin Information

Demographic and Economic Information

J-14	Demographic and Economic Statistics
J-15	Principal Employers

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program
J-17	Operating Statistics
J-18	School Building Information
J-19	Schedule of Required Maintenance for School Facilities
J-20	Insurance Schedule

Certain Exhibits do not contain ten years of information since GASBS No. 44 was implemented as of the fiscal year ending June 30,2006.

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities								
Invested in capital assets, net of related debt	$ 12,358,935.76	$ 10,560,039.16	$ 9,870,986.33	$ 8,096,730.11	$ 4,356,344.71	$ (13,108,890.13)	$ 3,426,532.65	$ 3,359,070.19
Restricted	1,356,184.10	1,928,764.47	3,111,012.47	4,688,124.28	11,081,525.97	27,489,463.36	11,291,809.23	797,946.42
Unrestricted	1,329,157.59	2,014,433.61	1,746,480.25	1,032,006.34	1,050,372.03	1,283,635.26	969,771.41	1,037,859.76
Total governmental activities net assets	$ 15,044,277.45	$ 14,503,237.24	$ 14,728,479.05	$ 13,816,860.73	$ 16,488,242.71	$ 15,664,208.49	$ 15,688,113.29	$ 5,194,876.37
Business-type activities								
Invested in capital assets, net of related debt	$ 35,645.62	$ 38,683.98	$ 44,435.67	$ 30,856.12	$ 35,635.25	$ 39,950.31	$ 46,335.41	$ 43,359.12
Restricted							-	-
Unrestricted	145,893.32	136,496.17	111,358.56	90,420.80	116,908.67	111,016.61	115,798.47	113,418.32
Total business-type activities net assets	$ 181,538.94	$ 175,180.15	$ 155,794.23	$ 121,276.92	$ 152,543.92	$ 150,966.92	$ 162,133.88	$ 156,777.44
District-wide								
Invested in capital assets, net of related debt	$ 12,394,581.38	$ 10,598,723.14	$ 9,915,422.00	$ 8,127,586.23	$ 4,391,979.96	$ (13,068,939.82)	$ 3,472,868.06	$ 3,402,429.31
Restricted	1,356,184.10	1,928,764.47	3,111,012.47	4,688,124.28	11,081,525.97	27,489,463.36	11,291,809.23	797,946.42
Unrestricted	1,475,050.91	2,150,929.78	1,857,838.81	1,122,427.14	1,167,280.70	1,394,651.87	1,085,569.88	1,151,278.08
Total district net assets	$ 15,225,816.39	$ 14,678,417.39	$ 14,884,273.28	$ 13,938,137.65	$ 16,640,786.63	$ 15,815,175.41	$ 15,850,247.17	$ 5,351,653.81

Source: District records

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Expenses								
Governmental activities								
Instruction								
Regular	$ 33,680,890.85	$ 32,452,088.09	$ 31,819,629.28	$ 30,802,324.65	$ 28,675,957.57	$ 29,649,928.63	$ 28,758,945.45	$ 28,562,729.40
Special education	10,417,029.62	9,034,633.71	9,101,749.93	8,087,254.56	7,274,943.91	6,984,477.14	5,968,831.10	4,189,426.02
Other instruction	4,242,269.36	3,503,221.91	3,421,456.29	3,178,215.83	2,972,702.40	2,003,326.99	2,032,209.66	2,241,430.08
Support Services:								
Tuition	4,152,946.08	3,993,585.78	3,882,395.49	3,788,993.20	3,496,984.27	2,948,328.22	2,752,196.52	3,223,315.78
Student and instruction related services	12,200,992.70	12,691,148.84	13,155,315.60	12,318,861.60	11,730,962.72	8,885,401.64	8,337,876.92	7,948,807.37
School administrative services	4,979,802.36	4,731,933.15	4,237,977.91	4,084,714.54	4,120,214.58	4,436,174.41	4,199,522.39	4,216,634.11
General and business administrative services	3,934,086.49	4,595,993.11	3,895,153.86	3,526,145.15	3,291,282.89	3,384,600.17	2,542,931.48	2,321,883.31
Plant operations and maintenance	7,796,910.31	8,140,841.13	8,268,241.74	7,754,504.34	7,005,520.22	6,885,575.83	6,305,853.72	5,993,193.44
Pupil transportation	2,667,032.13	2,621,788.02	2,587,954.93	2,533,643.42	2,209,827.86	2,002,424.78	1,862,461.85	1,855,085.73
Special Schools	2,920,547.33	3,119,050.95	3,196,162.52	3,007,257.30	2,788,015.71	2,519,309.09	2,426,375.50	1,925,325.23
Charter Schools	55,066.00	10,437.00	4,478.00					
Interest on long-term debt	972,927.53	1,008,964.55	1,042,706.39	1,067,547.67	1,103,397.43	1,109,019.35	75,012.88	139,289.27
Total governmental activities expenses	88,020,500.76	85,903,686.24	84,613,221.94	80,149,462.26	74,669,809.56	70,808,566.25	65,262,217.47	62,617,119.74
Business-type activities:								
Food service	1,180,944.84	1,208,487.90	1,195,328.18	1,146,842.57	1,100,553.86	1,146,301.66	1,014,909.65	1,023,870.67
Total business-type activities expense	1,180,944.84	1,208,487.90	1,195,328.18	1,146,842.57	1,100,553.86	1,146,301.66	1,014,909.65	1,023,870.67
Total district-wide expenses	$ 89,201,445.60	$ 87,112,174.14	$ 85,808,550.12	$ 81,296,304.83	$ 75,770,363.42	$ 71,954,867.91	$ 66,277,127.12	$ 63,640,990.41
Program Revenues								
Governmental activities:								
Charges for services:								
Pupil transportation	$ 37,674.00	$ 37,200.00	$ 32,773.20	$ 36,676.50	$ 35,494.80	$ 32,871.40	$ 37,581.06	$ 61,877.80
Special Schools	1,593,438.49	1,886,131.75	1,960,374.27	1,817,105.45	1,781,219.97	1,708,191.49	1,705,140.77	1,567,391.33
Interest on long-term debt	972,927.53	1,008,964.55	1,042,706.39	1,067,547.67	1,103,397.43		75,012.88	139,289.27
Operating grants and contributions		12,337,815.09	14,854,520.92	14,435,386.51	12,330,198.58	11,746,731.96	11,658,989.33	10,096,553.56
Total governmental activities program revenues	2,604,040.02	15,270,111.39	17,890,374.78	17,356,716.13	15,250,310.78	13,487,794.85	13,476,724.04	11,865,111.96

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

Changes In Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Business-type activities:								
Charges for services								
Food service	$ 911,540.11	$ 988,681.64	$ 1,004,639.39	$ 933,450.94	$ 908,401.00	$ 952,139.53	$ 870,435.83	$ 877,222.67
Operating grants and contributions	274,736.01	237,683.03	221,501.84	177,387.28	190,218.13	181,527.20	149,674.34	146,046.56
Total business-type activities program revenues	1,186,276.12	1,226,364.67	1,226,141.23	1,110,838.22	1,098,619.13	1,133,666.73	1,020,110.17	1,023,269.23
Total district-wide program revenues	$ 16,533,075.63	$ 16,496,476.06	$ 19,116,516.01	$ 18,467,554.35	$ 16,348,929.91	$ 14,621,461.58	$ 14,496,834.21	$ 12,888,381.19
Net (Expense)/Revenue								
Governmental activities	$ (72,673,701.25)	$ (70,633,574.85)	$ (66,722,847.16)	$ (62,792,746.13)	$ (59,419,498.78)	$ (57,320,771.40)	$ (51,785,493.43)	$ (50,752,007.78)
Business-type activities	5,331.28	17,876.77	30,813.05	(36,004.35)	(1,934.73)	(12,634.93)	5,200.52	(601.44)
Total district-wide net expense	$ (72,668,369.97)	$ (70,615,698.08)	$ (66,692,034.11)	$ (62,828,750.48)	$ (59,421,433.51)	$ (57,333,406.33)	$ (51,780,292.91)	$ (50,752,609.22)
General Revenues and Other Changes In Net Assets								
Governmental activities:								
Taxes:	-	-	-	-	-	-	-	-
Property taxes, levied for general purposes	$ 68,935,957.00	$ 66,380,728.00	$ 64,233,192.00	$ 61,516,737.00	$ 57,316,226.00	$ 54,356,358.00	$ 52,262,966.00	$ 49,233,890.00
Property taxes, levied for debt service principal	875,210.47	749,831.45	541,442.61	690,983.33	914,494.57		257,393.12	191,756.73
Federal and State aid not restricted	1,653,262.08	1,430,226.57	983,293.51	690,701.63	684,236.10	822,804.86	607,070.49	64,962.72
Tuition (other than special schools)	439,412.35	413,135.10	447,344.69	490,375.27	499,505.30	441,282.66	553,126.84	516,757.20
Investment earnings	187,708.94	297,858.80	583,935.78	741,906.02	735,454.11	739,350.05	263,363.78	201,703.20
Premium on sale of notes							166,350.00	
Miscellaneous income	84,505.50	770,680.88	845,256.89	256,861.03	132,139.06	908,851.23	158,364.66	406,328.08
N.J. Economic Development Authority grants		365,872.24			(38,522.14)		8,550,499.00	109,680.00
Adjustment to Capital Assets	1,038,685.12			(4,266,200.13)				
Refunding bond proceeds							(210,000.00)	
Total governmental activities	73,214,741.46	70,408,333.04	67,634,465.48	60,121,364.15	60,243,533.00	57,268,646.80	62,609,133.89	50,725,077.93
Business-type activities:								
Investment earnings	1,027.51	1,509.15	3,704.26	4,737.35	3,511.73	1,467.97	155.92	218.20
Total business-type activities	1,027.51	1,509.15	3,704.26	4,737.35	3,511.73	1,467.97	155.92	218.20
Total district-wide general revenues	$ 73,215,768.97	$ 70,409,842.19	$ 67,638,169.74	$ 60,126,101.50	$ 60,247,044.73	$ 57,270,114.77	$ 62,609,289.81	$ 50,725,296.13
Change in Net Assets								
Governmental activities	$ 541,040.21	$ (225,241.81)	$ 911,618.32	$ (2,671,381.98)	$ 824,034.22	$ (52,124.60)	$ 10,823,640.46	$ (26,929.85)
Business-type activities	6,358.79	19,385.92	34,517.31	(31,267.00)	1,577.00	(11,166.96)	5,356.44	(383.24)
Total district-wide change in net assets	$ 547,399.00	$ (205,855.89)	$ 946,135.63	$ (2,702,648.98)	$ 825,611.22	$ (63,291.56)	$ 10,828,996.90	$ (27,313.09)

Source: District records

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

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

	Fiscal Year Ending June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
General Fund								
Reserved	$ 1,616,066.03	$ 1,669,316.87	$ 2,620,129.19	$ 2,574,383.41	$ 1,738,736.65	$ 2,048,672.12	$ 2,343,629.38	$ 770,233.43
Unreserved	2,011,240.09	2,661,868.61	2,431,150.25	1,757,183.84	1,778,162.03	2,108,750.26	1,829,656.41	2,040,014.76
Total general fund	$ 3,627,306.12	$ 4,331,185.48	$ 5,051,279.44	$ 4,331,567.25	$ 3,516,898.68	$ 4,157,422.38	$ 4,173,285.79	$ 2,810,248.19
All Other Governmental Funds								
Reserved	$ 15,149.16	$ 908,854.61	$ 537,435.91	$ 1,235,088.97	$ 6,672,615.84	$ 21,415,127.30	$ 2,231,779.78	$ -
Unreserved, reported in:								
Special revenue fund								(10,210.65)
Capital projects fund	53,972.05	(374,964.57)	100,354.42	782,545.70	2,605,139.10	4,447,735.52	6,400,135.46	36,948.00
Debt service fund	24,425.93	92,199.24	232,201.83	486,929.78	473,708.34	257,723.16	348666.51	975.64
Total all other governmental funds	$ 93,547.14	$ 626,089.28	$ 869,992.16	$ 2,504,564.45	$ 9,751,463.28	$ 26,120,585.98	$ 8,980,581.75	$ 27,712.99
Total Fund Balances	$ 3,720,853.26	$ 4,957,274.76	$ 5,921,271.60	$ 6,836,131.70	$ 13,268,361.96	$ 30,278,008.36	$ 13,153,867.54	$ 2,837,961.18

Source: District records

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

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

	Fiscal Year Ending June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Revenues								
Tax levy	$ 70,784,095.00	$ 68,139,524.00	$ 65,817,341.00	$ 63,275,268.00	$ 59,334,118.00	$ 54,356,358.00	$ 52,595,372.00	$ 49,564,936.00
Tuition charges	439,412.35	413,135.10	447,344.69	490,375.27	499,505.30	441,282.66	553,126.84	516,757.20
Transportation fees	37,674.00	37,200.00	32,773.20	36,676.50	35,494.80	32,871.40	37,581.06	61,877.80
Interest earnings	187,708.94	297,858.80	583,935.78	741,906.02	735,454.11	739,350.05	263,363.78	201,703.20
Miscellaneous	1,773,209.16	2,721,139.19	3,019,068.77	2,091,350.21	1,913,359.03	2,622,134.40	2,029,855.43	1,973,719.41
State sources	11,688,197.03	12,187,059.73	14,183,470.68	13,739,069.49	11,567,683.65	10,853,735.14	10,692,815.53	8,781,960.20
Federal sources	2,612,559.37	1,516,655.37	1,440,906.14	1,369,634.92	1,446,751.03	1,710,710.00	1,573,244.29	1,379,556.08
Total revenues	87,522,855.85	85,312,572.19	85,524,840.26	81,744,280.41	75,532,365.92	70,756,441.65	67,745,358.93	62,480,509.89
Expenditures								
Instruction								
Regular Instruction	24,082,292.06	23,900,762.60	22,684,874.15	21,645,582.72	20,628,531.27	20,648,354.69	20,478,025.71	20,962,081.33
Special education instruction	8,055,954.73	6,946,909.35	6,839,940.34	5,964,859.03	5,575,122.88	4,905,658.62	4,337,012.28	2,818,202.41
Other instruction	3,128,792.55	2,657,522.70	2,509,742.80	2,373,547.01	2,199,668.73	2,003,326.99	2,032,209.66	2,241,430.08
Support Services:								
Tuition	4,152,946.08	3,993,585.78	3,882,395.49	3,788,993.20	3,496,984.27	2,948,328.22	2,752,196.52	3,223,315.78
Student and instruction related services	9,158,194.05	9,804,591.46	9,871,104.74	9,205,419.95	8,868,706.63	8,577,118.56	7,939,365.77	7,466,042.03
School administrative services	3,525,978.15	3,519,603.49	3,049,312.11	2,894,310.14	2,901,097.51	2,832,897.15	2,690,863.20	2,649,648.71
General and business administrative services	3,146,884.02	3,957,433.84	3,179,813.67	2,892,423.26	2,697,022.19	2,538,560.72	1,833,544.40	1,873,399.76
Plant operations and maintenance	6,271,474.43	6,696,249.78	6,680,412.41	6,198,920.21	5,684,202.18	5,674,176.37	5,202,053.76	4,925,797.53
Pupil transportation	2,127,077.19	2,216,543.04	2,158,686.94	2,121,531.56	1,845,764.31	1,838,138.54	1,702,353.78	1,701,362.04
Employee benefits	19,709,084.73	17,437,919.47	18,979,112.53	18,498,406.28	16,793,672.48	14,733,986.96	13,522,911.79	12,349,037.70
Special Schools	2,336,459.43	2,584,416.44	2,609,536.87	2,440,172.73	2,304,262.91	2,402,288.87	2,318,037.27	1,754,689.47
Transfers to Charter Schools	55,066.00	10,437.00	4,478.00					
Capital outlay	1,086,511.02	999,893.39	2,076,990.23	8,249,259.05	17,377,395.64	7,573,550.63	1,387,463.47	943,383.10
Debt service:								
Principal	936,422.77	895,141.18	858,878.99	817,687.48	756,540.97	156,288.00	131,072.15	195,091.27
Interest and other charges	986,140.14	1,021,431.75	1,054,421.09	1,085,398.05	1,374,518.21	461,626.51	60,841.81	141,886.45
Total expenditures	88,759,277.35	86,642,441.27	86,439,700.36	88,176,510.67	92,503,490.18	77,294,300.83	66,387,951.57	63,245,367.66
Excess (Deficiency) of revenues over (under) expenditures	(1,236,421.50)	(1,329,869.08)	(914,860.10)	(6,432,230.26)	(16,971,124.26)	(6,537,859.18)	1,357,407.36	(764,857.77)

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

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

	Fiscal Year Ending June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Other Financing sources (uses)								
Proceeds from borrowing						23,662,000.00		
Proceeds from Lease/Purchase							408,000.00	
N.J.E.D.A. Grants		365,872.24			(38,522.14)		8,550,499.00	109,680.00
Capital leases (non-budgeted)								292,909.40
Transfers in	557,212.12		74,423.13	157,775.97	414,882.26	526,971.16	459,421.83	109,099.08
Transfers out	(557,212.12)		(74,423.13)	(157,775.97)	(414,882.26)	(526,971.16)	(459,421.83)	(109,099.08)
Total other financing sources (uses)	-	365,872.24	-	-	(38,522.14)	23,662,000.00	8,958,499.00	402,589.40
Net change in fund balances	$ (1,236,421.50)	$ (963,996.84)	$ (914,860.10)	$ (6,432,230.26)	$ (17,009,646.40)	$ 17,124,140.82	$ 10,315,906.36	$ (362,268.37)
Debt service as a percentage of noncapital expenditures	2.19%	2.24%	2.27%	2.38%	2.84%	0.89%	0.30%	0.54%

Source: District records

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Tuition	$ 240,558.42	$ 195,135.66	$ 516,757.20	$ 553,126.84	$ 441,282.66	$ 499,505.30	$ 490,375.27	$ 447,344.69	$ 413,135.10	$ 439,412.35
Transportation	33,620.57	46,064.80	61,877.80	37,581.06	32,871.40	35,494.80	36,676.50	32,773.20	37,200.00	37,674.00
Interest	626,414.26	256,594.48	201,703.20	222,514.95	212,378.89	412,166.39	741,906.02	509,512.65	280,084.46	181,057.34
Accounts Payable Canceled		202,253.61	101,768.67			8,520.66	666.00	6,559.35	385.74	5,076.77
Adult & Summer School Fees	1,200,415.56	1,337,694.40	1,567,391.33	1,705,140.77	1,813,344.79	1,781,219.97	1,870,029.80	1,960,374.27	1,886,131.75	1,593,438.49
Rentals	31,710.26	32,307.72	37,380.86	58,750.82	61,110.00	71,275.00	53,782.95	57,202.34	45,880.00	48,206.00
Refunds	66,115.76	128,005.60	145,044.00	85,780.37	724,070.68			750,000.00	661,967.00	
Custodial Fees					11,550.64	7,036.40	7,052.98	20,605.36	22,481.72	17,570.42
Miscellaneous	96,115.57	46,770.12	122,134.05	13,833.47	6,966.61	12,446.01	142,434.75	10,889.84	39,966.42	7,152.31
Total	$ 2,294,950.40	$ 2,244,826.39	$ 2,754,057.11	$ 2,676,728.28	$ 3,303,575.67	$ 2,827,664.53	$ 3,342,924.27	$ 3,795,261.70	$ 3,387,232.19	$ 2,329,587.68

Source: District records

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

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

Fiscal Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2001	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,292,238,209	$ 2,862,569,458	2.004
2002							-		2,297,833,523	3,285,661,790	2.112
2003							-		2,286,241,910	3,245,598,756	2.234
2004							-		2,289,302,164	3,649,757,776	2.336
2005	7,158,600	1,870,791,800		230,735,000	125,153,800	57,888,800	2,291,728,000	5,546,817	2,297,274,817	4,047,571,905	2.474
2006	11,363,700	1,874,824,800		230,957,100	119,077,800	57,888,800	2,294,112,200	4,335,095	2,298,447,295	4,566,010,284	2.667
2007	30,195,800	4,171,669,200		498,913,900	220,147,700	144,874,700	5,065,801,300	8,318,373	5,074,119,673	5,046,726,114	1.272
2008	30,140,600	4,174,425,200		501,403,300	218,628,700	144,874,700	5,069,472,500	9,782,801	5,079,255,301	5,374,008,691	1.319
2009	29,188,500	4,190,550,300		497,681,000	223,275,200	139,681,900	5,080,376,900	10,886,928	5,091,263,828	5,392,062,818	1.364
2010	28,929,200	4,198,049,100		480,255,300	216,482,000	135,219,700	5,058,935,300	11,397,254	5,070,332,554	5,160,042,949	1.426

Source: Municipal Tax Assessor

Exhibit J-7

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

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

Fiscal Year Ended December 31,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Municipality	County	
2001	1.989	0.015	2.004	0.756	0.280	3.040
2002	2.097	0.015	2.112	0.831	0.317	3.260
2003	2.219	0.015	2.234	0.835	0.301	3.370
2004	2.328	0.008	2.336	1.007	0.327	3.670
2005	2.447	0.027	2.474	1.072	0.344	3.890
2006	2.574	0.093	2.667	1.231	0.362	4.260
2007	1.234	0.038	1.272	0.577	0.181	2.030
2008	1.281	0.038	1.319	0.588	0.196	2.103
2009	1.326	0.038	1.364	0.585	0.204	2.153
2010	1.388	0.038	1.426	0.657	0.200	2.283

Source: Municipal Tax Collector

Exhibit J-8

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

Principal Property Taxpayers
Current Year and Seven Years Ago
Unaudited

	2010		2003	
Fiscal Year Ended June 30,	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Fair Lawn Estates Assoc.	$ 46,515,900	0.92%	$ -	
Nabisco c/o Kraft Foods			37,188,300	1.63%
Fairlawn Associates	33,754,400	0.67%	18,840,000	0.82%
Nabisco c/o Kraft Foods	30,000,000	0.59%		
Columbia Savings Bank	25,439,000	0.50%		
Bon-Marc Realty	21,197,000	0.42%		
Fairburn Park Associates			13,541,300	0.59%
17-17 Realty Associates	20,199,400	0.40%	13,500,700	0.59%
Bon-Marc Realty			12,839,800	0.56%
Fairlawn Industries, LP	18,364,200	0.36%	12,602,700	0.55%
Prime Hospitality Corp.	17,500,000	0.35%	8,784,000	0.38%
CK Bergen Holdings, LLC	14,821,800	0.29%		
Bernard Oster, Inc.	14,628,400	0.29%		
Maple Avenue Corp.			7,833,100	0.34%
Knollcroft Gardens			7,590,900	0.33%
N.J. Bell Telephone Co.			7,530,609	0.33%
Total	$ 242,420,100	4.78%	$ 140,251,409	6.13%

Source: Municipal Tax Assessor

Exhibit J-9

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	$ 62,588,880	$ 61,925,255	98.93%	$ -	$ 61,925,255	98.93%
2001	65,308,029	64,640,224	98.97%	-	64,640,224	98.97%
2002	69,966,180	69,317,037	99.07%	-	69,317,037	99.07%
2003	75,212,423	74,499,210	99.05%	679,144	75,178,354	99.95%
2004	77,285,929	76,624,872	99.14%	568,933	77,193,805	99.88%
2005	75,212,423	74,499,210	99.05%	682,995	75,182,205	99.95%
2006	89,814,196	88,973,789	99.06%	824,440	89,798,229	99.98%
2007	98,444,012	97,519,674	99.06%	884,696	98,404,370	99.95%
2008	103,227,821	102,183,039	98.98%	944,358	103,127,397	99.90%
2009	110,139,698	108,730,126	98.72%	-	108,730,126	98.72%

Source: Municipal Tax Collector

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			
	General Obligation Bonds	Loans	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income	Per Capita
2001	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2002	2,145,000	532,454	-			2,677,454	0.25%	85
2003	2,005,000	477,363	222,439			2,704,802	0.25%	86
2004	2,140,000	421,291	558,219	15,000,000		18,119,510	1.60%	581
2005	25,692,000	375,003	286,668			26,353,671	2.28%	853
2006	24,972,000	338,462	244,669			25,555,131	2.17%	835
2007	24,192,000	300,775				24,492,775	2.03%	804
2008	23,372,000	261,896				23,633,896	1.90%	777
2009	22,517,000	221,755				22,738,755	1.77%	745
2010	21,622,000	180,332				21,802,332	1.65%	714

Exhibit J-11

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2001	$ -	$ -	$ -	0.00%	$ -
2002	2,145,000		2,145,000	0.09%	68
2003	2,005,000		2,005,000	0.09%	64
2004	2,140,000		2,140,000	0.09%	69
2005	25,692,000		25,692,000	1.12%	831
2006	24,972,000		24,972,000	1.09%	816
2007	24,192,000		24,192,000	0.48%	794
2008	23,372,000		23,372,000	0.46%	769
2009	22,517,000		22,517,000	0.44%	738
2010	21,622,000		21,622,000	0.43%	708

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

Direct and Overlapping Governmental Activities Debt
As of December 31,2009
Unaudited

Net Direct Debt of School District as of December 31,2009		$ 22,472,331.95
Net Overlapping Debt of School District:		
Borough of Fair Lawn (100%)	$ 38,096,980.96	
County of Bergen - Borough's share (2.8792%)	19,632,557.38	
Passaic Valley Sewerage Commissioners - Borough's share (1.5151%)	4,629,015.00	
		62,358,553.34
Total Direct and Overlapping Debt as of December 31,2009		$ 84,830,885.29

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

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized valuation basis	
2007	5,323,456,599
2008	5,331,796,908
2009	5,133,249,368
	$ 15,788,502,875
Average equalized valuation of taxable property	$ 5,262,834,292
Debt limit (4 % of average equalization value)	210,513,372
Total Net Debt Applicable to Limit	21,802,585
Legal debt margin	$ 188,710,787

	Fiscal Year				
	2006	2007	2008	2009	2010
Debt limit	$ 161,632,996	$ 173,864,248	$ 174,102,857	$ 185,143,959	$ 210,513,372
Total net debt applicable to limit	25,310,462	24,492,775	23,633,896	23,378,755	21,802,585
Legal debt margin	$ 136,322,534	$ 149,371,473	$ 150,468,961	$ 161,765,204	$ 188,710,787
Total net debt applicable to the limit as a percentage of debt limit	15.66%	14.09%	13.57%	12.63%	10.36%

	Fiscal Year				
	2001	2002	2003	2004	2005
Debt limit	$ -	$ 107,815,453	$ 117,772,459	$ 130,426,900	$ 144,278,421
Total net debt applicable to limit		2,677,454	2,482,363	26,223,544	26,067,256
Legal debt margin	$ -	$ 105,137,999	$ 115,290,096	$ 104,203,356	$ 118,211,165
Total net debt applicable to the limit as a percentage of debt limit	#DIV/0!	2.48%	2.11%	20.11%	18.07%

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

Exhibit J-14

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2001	31,532	1,048,161,203	33,241	3.10%
2002	31,413	1,075,531,667	34,238	4.20%
2003	31,280	1,103,107,295	35,266	4.20%
2004	31,184	1,132,713,453	36,324	3.40%
2005	30,900	1,156,069,493	37,413	3.60%
2006	30,599	1,179,152,347	38,536	3.80%
2007	30,472	1,209,486,069	39,692	3.80%
2008	30,405	1,243,031,526	40,882	3.50%
2009	30,522	1,285,249,218	42,109	8.20%
2010	30,522 (Est.)	1,323,806,695	43,372	

Sources:
Population information provided by the NJ Dept of Labor and Workforce Development
Personal income has been estimated based upon the municipal population and per capita personal income presented
Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

Principal Employers
Current Year and Nine Years Ago
Unaudited

	2010			2001		
Employer	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
		Not Available			Not Available	
	-		0.00%	-		0.00%

Source:

Exhibit J-16

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction										
Regular					261	266	263	269	285	278
Special education					42	48	50	62	53	52
Other instruction					35	35	29	29	29	30
School sponsored/other instructional										
Support Services:										
Tuition					0	0	0	0	0	0
Student and instruction related services					7	10	9	10	12	12
School administrative services					65	54	60	68	64	68
General and business administrative services					52	43	43	42	45	45
Central Services					5	5	5	5	5	5
Administrative information technology					3	5	4	6	6	6
Plant operations and maintenance					65	63	58	61	68	68
Pupil transportation					3	3	4	7	7	7
Special Schools										
Food Service										
Child Care										
Total	0	0	0	0	538	532	525	559	574	571

Source: District Personnel Records

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2001	4,603.2	$ 54,208,480	$ 11,776	8.16%					4,603.2	4,378.8	0.27%	95.13%
2002	4,671.0	56,090,221	12,008	1.97%	403	17.9	12.3	12.2	4,671.0	4,455.7	1.47%	95.39%
2003	4,725.1	61,965,007	13,114	9.21%	415	17.2	11.4	12.9	4,725.1	4,479.0	1.16%	94.79%
2004	4,738.9	64,808,574	13,676	4.28%	428	15.1	14.9	12.1	4,738.9	4,526.8	0.29%	95.52%
2005	4,769.6	69,102,836	14,488	5.94%	428	16.9	11.4	12.9	4,769.6	4,597.7	0.65%	96.40%
2006	4,664.7	72,995,035	15,648	8.01%	436	17.0	12.7	14.1	4664.7	4,479.2	-2.20%	96.02%
2007	4,788.5	78,024,166	16,294	4.13%	458	15.6	13.9	15.7	4748.2	4,544.7	1.79%	95.71%
2008	4,777.9	82,449,410	17,256	5.91%	487	16.3	11.4	14.1	4777.9	4,584.1	0.63%	95.94%
2009	4,788.4	83,725,975	17,485	1.33%	495	15.8	11.3	14.0	4788.4	4,582.1	0.22%	95.69%
2010	4,750.1	85,750,203	18,052	3.24%	499	16.8	12.1	14.3	4750.1	4,551.9	-0.80%	95.83%

Source: District records

Note: Enrollment based on annual October district count.

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

School Building Information
Last Six Fiscal Years
Unaudited

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
District Building										
Elementary										
Henry B. Milnes (1951)										
Square Feet					42,907	42,907	42,907	42,907	42,907	42,907
Capacity (students)					334	334	334	395	395	395
Enrollment					414	421	407	406	411	389
John A. Forrest (1924)										
Square Feet					40,013	40,013	40,013	40,013	40,013	40,013
Capacity (students)					288	288	288	286	286	286
Enrollment *					291	277	294	286	286	288
Lyncrest (1952)										
Square Feet					24,793	24,793	24,793	24,793	24,793	24,793
Capacity (students)					197	197	197	234	234	234
Enrollment					235	218	232	231	225	218
Radburn (1930)										
Square Feet					46,806	46,806	46,806	46,806	46,806	46,806
Capacity (students)					371	371	371	351	351	351
Enrollment					357	362	377	372	353	330
Waren Point (1922)										
Square Feet					44,174	44,174	44,174	44,174	44,174	44,174
Capacity (students)					346	346	346	466	466	466
Enrollment					472	465	444	459	446	439
Westmoreland (1958)										
Square Feet					24,971	24,971	24,971	24,971	24,971	24,971
Capacity (students)					195	195	195	246	246	246
Enrollment					272	281	297	301	342	338
Middle School										
Thomas Jefferson Middle School (1953)										
Square Feet					103,958	103,958	103,958	103,958	103,958	103,958
Capacity (students)					754	754	754	662	662	662
Enrollment					739	718	704	718	732	734
Memorial Middle School (1956)										
Square Feet					78,323	78,323	78,323	78,323	78,323	78,323
Capacity (students)					567	567	567	466	466	466
Enrollment					448	468	458	443	433	442
High School										
Fair Lawn High School (1943)										
Square Feet					194,066	194,066	244,339	244,339	244,339	244,339
Capacity (students)					1,591	1,591	1,531	1,637	1,637	1,637
Enrollment					1,480	1,481	1,537	1,562	1,557	1,572
Other										
Edison School (1955)										
Square Feet					47335	47335	47335	47335	47335	47335
Capacity (students)					9	9	9	9	9	9
Enrollment										

Number of Schools at June 30, 2010
- Elementary = 6
- Middle School = 2
- Senior High School = 1
- Other = 1

Source: District Facilities Office

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

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited

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

*School Facility	Pending Projects (w/DOE Project #)	Gross Building Area (SF)	Ten Year Total	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Fair Lawn High School	SP1450-050-04-00EH	243,066	$ 3,228,705	$ 347,618	$ 431,757	$ 446,654	$ 360,081	$ 273,870	$ 310,446	$ 271,992	$ 256,544	$ 261,852	$ 267,891
	SP1450-050-09-0KAA												
Thomas Jefferson Middle School	SP1450-060-04-00DI	94,139	1,492,350	134,869	206,880	190,017	152,366	140,348	162,856	131,940	116,139	126,985	129,950
Memorial Middle School	SP1450-070-04-00DM	94,560	1,356,943	135,470	165,815	134,359	128,182	130,138	143,356	132,530	128,700	127,861	130,532
	SP1450-070-09--0KAB		-										
Henry B. Milnes	SP1450-080-04-00DL	47,880	684,791	68,399	68,733	88,987	65,682	60,734	68,758	67,106	65,493	64,806	66,094
John A. Forrest	SP1450-085-04-00DJ	46,400	656,480	66,285	64,097	100,070	61,137	61,283	61,186	61,322	62,028	58,676	60,397
Lyncrest	SP1450-100-04-00DH	27,937	413,181	39,909	39,716	41,979	37,253	38,448	58,451	38,625	43,975	36,782	38,043
Radburn	SP1450-110-04-00EI	51,740	667,334	73,913	74,979	81,577	76,245	59,215	62,620	60,435	61,027	57,800	59,523
Edison School	SP1450-130-09-0KAC	47,335	616,998	67,620	75,826	81,094	69,723	58,540	52,133	52,474	57,461	50,444	51,683
Warren Point	SP1450-140-04-00EJ	39,945	620,176	57,064	70,762	76,951	89,598	62,418	55,995	52,698	52,080	50,707	51,903
Westmoreland	SP1450-160-04-00DK	29,517	431,167	42,167	40,001	66,817	35,700	36,470	43,952	41,369	44,098	39,847	40,746
	SP1450-160-09-0KAD	-	-	-	-	-	-	-	-	-	-	-	-
District Total		722,519	$ 10,168,125	$ 1,033,314	$ 1,238,566	$ 1,308,503	$ 1,075,967	$ 921,464	$ 1,019,753	$ 910,491	$ 887,545	$ 875,760	$ 896,762

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

Source: District records

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

Insurance Schedule
As of June 30, 2010
Unaudited

	COVERAGE	DEDUCTIBLE
School Alliance Insurance Fund:		
Package Policy:		
Blanket Real and Personal Property	$ 135,585,883	$ 1,000
Extra Expense	1,000,000	
Earthquake	10,000,000	
Flood	10,000,000	
Commercial Liability		
Bodily Injury Each Occurance	5,000,000	
Fire Legal Liability	2,500,000	
Sexual Misconduct	5,000,000	
Medical Expense	5,000/per person	
Employee Benefits Liability	5,000,000	
Crime Coverage:		
Depositors Forgery	50,000	
Employee Dishonesty	100,000	
Money and Securities	50,000	
Automobile	5,000,000	1,000
School Board Legal Liability	5,000,000	
Primary Umbrella Liability	5,000,000	
Enviornmental Liability	1,000,000	10,000
Firemen's Fund:		
Catastrophe Umbrella Liability	50,000,000	
Educational Risk Insurance Consortium - North		
(N.J. School Boards Association Insurance Group):		
Workers Compensation	2,000,000	
Bollinger Insurance Company:		
Student Accident Insurance	5,000,000	
Surety Bonds:		
Board Secretary/Business Administrator	80,000	
Treasurer of School Moneys	400,000	

Source: District records

Single Audit Section

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

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

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

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

We have audited the basic financial statements of the Borough of Fair Lawn School District as of and for the year ended June 30, 2010, and have issued our report thereon dated September 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Fair Lawn School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Fair Lawn School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Fair Lawn School District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Borough of Fair Lawn School District and the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Timothy M. Vrabel
Public School Accountant
License No. CS000698

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

September 24, 2010

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

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

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR LETTER 04-04

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

Compliance

We have audited the compliance of the Borough of Fair Lawn School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2010. Borough of Fair Lawn School District major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Borough of Fair Lawn School District's management. Our responsibility is to express an opinion on Borough of Fair Lawn School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey Office of Management and Budget Circular Letter 04-04 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and New Jersey OMB's Circular Letter 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Borough of Fair Lawn School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Borough of Fair Lawn School District's compliance with those requirements.

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In our opinion, the Board of Education of the Borough of Fair Lawn School District, in the County of Bergen, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Borough of Fair Lawn School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Borough of Fair Lawn School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Fair Lawn School District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Fair Lawn School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Borough of Fair Lawn School District, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Timothy M. Vrabel
Public School Accountant
License No. CS000698

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

September 24, 2010

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA or Grant Number	Grant Period	Award Amount	Balance July 1, 2009	Adjustments	BUDGETARY EXPENDITURES Cash Received	Disbursements	Accounts Payable	Encumbrances	Total	Repayment of Prior Years' Balances	Balance June 30, 2010 Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Treasury:														
Medicaid Reimbursement	93.778	7/1/09-6/30/10	$ 38,106.41	$ -	$ -	$ 38,106.41	$ 38,106.41	$ -	$ -	$ 38,106.41	$ -	$ -	$ -	$ -
Total U.S. Department of Treasury				-	-	38,106.41	38,106.41	-	-	38,106.41	-	-	-	-
U.S. Department of Agriculture Passed - Through State Department of Education:														
Food Distribution Program	10.550	7/1/09-6/30/10	68,857.19	6,704.62		68,857.19	69,779.29			69,779.29		-	5,782.52	
National School Lunch Program	10.555	7/1/09-6/30/10	191,708.98			176,833.70	191,708.98			191,708.98		(14,875.28)	-	
National School Lunch Program	10.555	7/1/08-6/30/09	175,961.04	(16,250.52)		16,250.52	-			-		-	-	
Total U.S. Department of Agriculture				(9,545.90)		261,941.41	261,488.27			261,488.27		(14,875.28)	5,782.52	
U.S. Department of Education Passed - Through State Department of Education:														
General Funds:														
American Recovery and Reinvestment Act:														
Education Stabilization Fund	84.394	7/1/09-6/30/10	201,944.00			201,944.00	201,944.00			201,944.00		-		
Government Services Fund	84.397	7/1/09-6/30/10	7,818.00			7,818.00	7,818.00			7,818.00		-		
Total U.S. Department of Education (Fund 10)						209,762.00	209,762.00			209,762.00				
Special Revenue Funds:														
E.S.E.A. Title I	84.010A	9/1/09-8/31/10	120,019.00			87,727.00	106,361.21	13,587.30		119,948.51		(32,221.51)		
E.S.E.A. Title I	84.010A	9/1/08-8/31/09	167,403.00	(47,949.00)		47,949.00				-		-		
E.S.E.A. Title II A	84.367A	9/1/09-8/31/10	103,529.00			57,070.00	69,602.00	7,743.30		77,345.30		(20,275.30)		
E.S.E.A. Title II A	84.367A	9/1/08-8/31/09	102,297.00	(21,505.25)		46,350.00	24,844.75			24,844.75		-		
E.S.E.A. Title II A - Carryover	84.367A	9/1/08-8/31/09	103,055.00	94.00			94.00			94.00		-		
E.S.E.A. Title II D	84.367A	9/1/09-8/31/10	1,259.00			622.00	1,259.00			1,259.00		(637.00)		
E.S.E.A. Title II D	84.367A	9/1/08-8/31/09	1,390.00	(712.00)		727.00	15.00			15.00		-		
E.S.E.A. Title II D - Carryover	84.367A	9/1/08-8/31/09	1,134.00	6.00			6.00			6.00		-		
E.S.E.A. Title III	84.365A	9/1/09-8/31/10	34,392.00			22,392.00	30,739.50	3,652.50		34,392.00		(12,000.00)		
E.S.E.A. Title III	84.365A	9/1/08-8/31/09	35,451.00	(12,948.02)		14,964.00	2,015.98			2,015.98		-		
E.S.E.A. Title III	84.365A	9/1/07-8/31/08	31,226.00	53.80	6.66 (1)		53.80			53.80		-		6.66
E.S.E.A. Title III - Carryover	84.365A	9/1/08-8/31/09	31,226.00	80.48			80.48			80.48		-		
E.S.E.A. Title III - Immigrant	84.365A	9/1/08-8/31/09	26,726.00	1,474.43		10,619.00	13,774.43			13,774.43		(1,681.00)		
E.S.E.A. Title IV	84.186A	9/1/09-8/31/10	8,514.00			6,191.00	7,711.31	767.03		8,478.34		(2,287.34)		
E.S.E.A. Title IV	84.186A	9/1/08-8/31/09	9,516.00	(3,116.79)		3,136.00	19.21			19.21		-		
E.S.E.A. Title IV - Carryover	84.186A	9/1/08-8/31/09	12,972.00	70.00			70.00			70.00		-		
E.S.E.A. Title V - Carryover	84.298A	9/1/08-8/31/09	5,861.00	32.00			32.00			32.00		-		
I.D.E.A. Part B, Basic	84.027A	9/1/09-8/31/10	1,063,956.00			873,705.00	1,062,018.80			1,062,018.80		(188,313.80)		
I.D.E.A. Part B, Basic	84.027A	9/1/08-8/31/09	1,061,032.00	(156,533.50)	39.09 (1)	164,811.00	8,277.50			8,277.50		-		39.09
I.D.E.A. Part B, Preschool	84.173A	9/1/09-8/31/10	35,094.00			26,143.00	35,094.00			35,094.00		(8,951.00)		
I.D.E.A. Part B, Preschool	84.173A	9/1/08-8/31/09	35,042.00	(438.23)		10,023.00	9,584.77			9,584.77		-		
ARRA I.D.E.A., Basic	84.391	7/1/09-8/31/11	1,081,192.00			864,471.00	930,906.84	25,758.40		956,665.24		(92,194.24)		
ARRA I.D.E.A., Preschool	84.392	7/1/09-8/31/11	39,093.00			10,622.00	10,621.83			10,621.83		-	0.17	
Foreign Languages Assistance	84.293B	9/15/08-9/14/09	74,323.00	(9,936.19)		9,951.19				-		-		15.00
Community Development Funds	14.218	7/1/02-6/30/03	100,000.00	0.02	-	-	0.02	-		0.02		-	-	-
Total U.S. Department of Education (Fund 20)				(251,328.25)	45.75	2,257,473.19	2,313,182.43	51,508.53	-	2,364,690.96	-	(358,561.19)	0.17	60.75
Total Federal Financial Assistance				$ (260,874.15)	$ 45.75	$ 2,767,283.01	$ 2,822,539.11	$ 51,508.53	$ -	$ 2,874,047.64	$ -	$ (373,436.47)	$ 5,782.69	$ 60.75

(1) Accounts payable canceled

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

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2010

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2009	Adjustments	Cash Received	BUDGETARY EXPENDITURES Disbursements	Accounts Payable	Encumbrances	Total	Repayment of Prior Years' Balances	Balance June 30, 2010 Accounts Receivable	Deferred Revenue	Due to Grantor
State Department of Education:														
General Funds:														
Equalization Aid	10-495-034-5120-078	7/1/09-6/30/10	$ 946,292.00	$ -	60,820.99 (1)	$ 800,018.92	$ 946,292.00	$ -	$ -	$ 946,292.00	$ -	$ (85,452.09)	$ -	$ -
Equalization Aid	09-495-034-5120-078	7/1/08-6/30/09	1,495,988.00	(83,712.58)		83,712.58				-		-		
Categorical Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	849,557.00		156,283.00 (3)	630,669.94	849,557.00			849,557.00		(62,604.06)		
Categorical Transportation Aid	09-495-034-5120-014	7/1/08-6/30/09	624,132.00	(46,339.22)		46,339.22				-		-		
Categorical Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	2,686,561.00			2,443,959.06	2,686,561.00			2,686,561.00		(242,601.94)		
Categorical Special Education Aid	09-495-034-5120-089	7/1/08-6/30/09	2,590,422.00	(192,328.11)		192,328.11				-		-		
Categorical Security Aid	10-495-034-5120-084	7/1/09-6/30/10	386,513.00			351,610.09	386,513.00			386,513.00		(34,902.91)		
Categorical Security Aid	09-495-034-5120-084	7/1/08-6/30/09	368,143.00	(27,333.09)		27,333.09				-		-		
Extraordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	1,677,511.00				1,677,511.00			1,677,511.00		(1,677,511.00)		
Extraordinary Aid	09-100-034-5120-473	7/1/08-6/30/09	2,381,928.00	(2,381,928.00)		2,381,928.00				-		-		
Non-Public Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	40,546.00				40,546.00			40,546.00		(40,546.00)		
Non-Public Transportation Aid	09-495-034-5120-014	7/1/08-6/30/09	54,012.80	(54,012.80)		54,012.80				-		-		
Reimbursed TPAF Social Security Contribution	10-495-034-5095-002	7/1/09-6/30/10	2,734,445.84			2,596,720.03	2,734,445.84			2,734,445.84		(137,725.81)		
Reimbursed TPAF Social Security Contribution	09-495-034-5095-002	7/1/08-6/30/09	2,598,435.82	(129,900.14)		129,900.14				-		-		
On-Behalf TPAF Pension Contributions	10-495-034-5095-001	7/1/09-6/30/10	2,331,091.00	-	-	2,331,091.00	2,331,091.00			2,331,091.00		-		
Total General Funds				(2,915,553.94)	217,103.99	12,069,622.98	11,652,516.84			11,652,516.84		(2,281,343.81)		
Special Revenue Funds:														
New Jersey Nonpublic Aid:														
Textbook Aid	10-100-034-5120-064	7/1/09-6/30/10	20,312.00			20,312.00	19,701.50	610.50		20,312.00		-		
Textbook Aid	09-100-034-5120-064	7/1/08-6/30/09	18,244.00	47.55	(47.55) (1)					-		-		
Auxiliary Services:										-		-		38,309.75
Compensatory Education	10-100-034-5120-067	7/1/09-6/30/10	183,302.00			183,302.00	144,992.25			144,992.25		-		
Compensatory Education	09-100-034-5120-067	7/1/08-6/30/09	195,085.00	27,670.98	(27,670.98) (1)					-		-		1,043.50
English as a Second Language	10-100-034-5120-067	7/1/09-6/30/10	1,957.00			1,957.00	913.50			913.50		-		
English as a Second Language	09-100-034-5120-067	7/1/08-6/30/09	3,045.00	3,045.00	(3,045.00) (1)					-		-		
Handicapped Services:										-		-		8,072.94
Examination and Classification	10-100-034-5120-066	7/1/09-6/30/10	38,024.00			38,024.00	29,951.06			29,951.06		-		
Examination and Classification	09-100-034-5120-066	7/1/08-6/30/09	46,067.00	5,692.75	(5,692.75) (1)					-		-		10,788.00
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	35,061.00			35,061.00	24,273.00			24,273.00		-		
Corrective Speech	09-100-034-5120-066	7/1/08-6/30/09	42,780.00	11,346.00	(11,346.00) (1)					-		-		6,503.00
Supplementary Instruction	10-100-034-5120-066	7/1/09-6/30/10	25,088.00			25,088.00	18,585.00			18,585.00		-		
Supplementary Instruction	09-100-034-5120-066	7/1/08-6/30/09	35,518.00	11,729.20	(11,729.20) (1)					-		-		616.05
Nursing Services	10-100-034-5120-070	7/1/09-6/30/10	24,086.00			24,086.00	23,469.95			23,469.95		-		
Nursing Services	09-100-034-5120-070	7/1/08-6/30/09	24,627.00	1,241.99	(1,241.99) (1)					-		-		
Nursing Services	08-100-034-5120-070	7/1/07-6/30/08	27,947.00	7.59	(7.59) (1)					-		-		
Technology Initiative	09-100-034-5120-373	7/1/08-6/30/09	12,760.00	38.53	(38.53) (1)					-		-		
Vocational Education for the Deaf	08-100-062-4535-031	7/1/07-6/30/08	361,010.00	1,173.00			1,173.00			1,173.00		-		
Evening School for the Foreign Born	08-100-034-5064-010	7/1/07-6/30/08	5,000.00	4,141.43			4,141.43			4,141.43		-		
V-Free Mini Grant	03-100-074-2505-048	7/1/02-6/30/03	3,000.00	1.40	(1.40) (1)	-	-	-		-	-	-	-	-
Total Special Revenue Funds				66,135.42	(60,820.99)	327,830.00	267,200.69	610.50		267,811.19	-	-	-	65,333.24

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN

Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2010
(Concluded)

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2009	Adjustments	Cash Received	BUDGETARY EXPENDITURES Disbursements	Accounts Payable	Encumbrances	Total	Repayment of Prior Years' Balances	Balance June 30, 2010 Accounts Receivable	Deferred Revenue	Due to Grantor
Capital Project Funds:														
N.J. Economic Development Authority Grant	SP1450-100-04-00DH		$ 342,510.00	$ (20.00)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (20.00)	$ -	$ -
N.J. Economic Development Authority Grant	SP1450-140-04-00EJ		742,051.00	(70.72)						-		(70.72)		
N.J. Economic Development Authority Grant	SP1450-060-04-00DI		453,500.00	(733.26)		-				-		(733.26)		
N.J. Economic Development Authority Grant	SP1450-070-04-00DM		50,000.00	(406.78)						-		(406.78)		
N.J. Schools Development Authority Grant	SP1450-050-09-0KAA		81,547.00	(81,547.00)		28,315.75				-		(53,231.25)		
N.J. Schools Development Authority Grant	SP1450-070-09-0KAB		87,356.00	(87,356.00)		44,114.78				-		(43,241.22)		
N.J. Schools Development Authority Grant	SP1450-130-09-0KAC		90,156.00	(90,156.00)		36,809.45				-		(53,346.55)		
N.J. Schools Development Authority Grant	SP1450-160-09-0KAD		110,321.00	(110,321.00)	-	37,760.00	-			-		(72,561.00)		
Total Capital Project Funds				(370,610.76)	-	146,999.98	-			-		(223,610.78)		
Enterprise Funds:														
State School Lunch Program	10-100-010-3350-023	7/1/09-6/30/10	14,545.80			13,069.68	14,169.84			14,169.84		(1,100.16)		
State School Lunch Program	09-100-010-3350-023	7/1/08-6/30/09	14,545.80	(1,302.56)		1,302.56	-			-		-		
				(1,302.56)	-	14,372.24	14,169.84	-	-	14,169.84	-	(1,100.16)	-	-
Total All Funds				$ (3,221,331.84)	$ 156,283.00	$ 12,558,825.20	$ 11,933,887.37	$ 610.50	$ -	$ 11,934,497.87	$ -	$ (2,506,054.75)	$ -	$65,333.24

(1) Reallocated
(2) Accounts payable canceled
(3) Canceled

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

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2010

Note 1: General

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

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes I:E and Note I:F. to the Board's basic financial statements. The information in the schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: Relationship to Basic Financial Statements

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

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

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2010
(CONCLUDED)

Note 3: Relationship to Basic Financial Statements (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $(75,848.00) for the general fund and $ -0- for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	$ 247,868.41	$ 11,420,385.84	$ 11,668,254.25
Special Revenue Fund	2,364,690.96	267,811.19	2,632,502.15
Food Service Fund	260,296.17	14,169.84	274,466.01
Total Awards and Financial Assistance	$ 2,872,855.54	$ 11,702,366.87	$ 14,575,222.41

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for post-retirement medical benefits and the normal and accrued liability pension costs for the year ended June 30, 2010. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010.

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

Part I – Summary of Auditor's Results

Financial Statement Section

A) Type of auditor's report issued: Unqualified

B) Internal Control over financial reporting:

1) Material weakness(es) identified? ____yes __X__no
2) Were significant deficiencies identified that were not considered to be material weaknesses? ____yes__X____none reported

C) Noncompliance material to basic financial statements noted? ____yes __X__no

Federal Awards Section

D) Dollar threshold used to determine Type A programs $ 300,000.00

E) Auditee qualified as low-risk auditee? __X__yes ____no

F) Type of auditor's report on compliance for major programs: Unqualified

G) Internal Control over compliance:

1) Material weakness(es) identified? ____yes __X__no
2) Were significant deficiencies identified that were not considered to be material weaknesses? ____yes__X____none reported

H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510 (a))? ____yes __X__no

I) Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027A	I.D.E.A Part B. Basic
84.391	ARRA I.D.E.A. Part B, Basic

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

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

State Financial Assistance Section

J) Dollar threshold used to determine Type A Programs	$ 300,000.00
K) Auditee qualified as low-risk auditee?	X yes ____ no
L) Type of auditor's report on compliance for major programs.	Unqualified
M) Internal Control over compliance:	
1) Material weakness(es) identified?	____ yes X no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	____ yes X none reported
N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04?	____ yes X no

O) Identification of major programs:

GMIS Number(s)	Name of State Program
10-495-034-5120-078	Equalization Aid
10-495-034-5120-014	Categorical Transportation Aid
10-495-034-5120-089	Categorical Special Education Aid
10-495-034-5120-084	Categorical Security Aid
10-100-034-5120-473	Extraordinary Aid
10-495-034-5095-002	Reimbursed TPAF Social Security Contribution

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)

Part 2 – Schedule of Financial Statement Findings

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

Not Applicable

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

Not Applicable

BOARD OF EDUCATION
BOROUGH OF FAIR LAWN
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2010

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315 (a) (b)) and New Jersey OMB's Circular 04-04.

Not Applicable