

**FAIRVIEW BOARD OF EDUCATION
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

FAIRVIEW BOARD OF EDUCATION

**FAIRVIEW BOARD OF EDUCATION
Fairview, New Jersey**

**Comprehensive Annual Financial Report
Year Ended June 30, 2015**

Comprehensive Annual Financial Report

of the

**FAIRVIEW BOARD OF EDUCATION
Fairview, New Jersey**

Year Ended June 30, 2015

Prepared by

**Patrick Caufield
Board Secretary/Business Administrator**

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INTRODUCTORY SECTION

FAIRVIEW PUBLIC SCHOOLS

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E-mail: dsleppin@fairviewps.org

November 9, 2015

Honorable President and Members of the Fairview Board of Education
Fairview Public Schools
130 Hamilton Avenue
Fairview, New Jersey 07022

Dear Board Members,

The Comprehensive Annual Financial Report of the Fairview School District for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for the accuracy of the data and completeness of the presentation lies with the management of the district. It is our belief that the data contained in this report is accurate and is reported in a manner designed to present a clear picture of the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of district financial activities have been included.

The Government Accounting Standards Board (GASB) requires the district to provide a narrative introduction, an overview, and an analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal can be found immediately following the "Independent Auditors' Report".

The Comprehensive Annual Financial Report is presented in four sections: introduction, financial, statistical, and single audit. The introduction includes this transmittal letter and lists principal officials. The financial section includes the independent auditors' report, management's discussion and analysis, the basic financial statements including the district financial statements in an effort to conform to the Governmental Accounting Standards Board Statement Number 34. The basic financial statements also include the individual fund financial statements, notes to the basic financial statements, and required supplemental information. The statistical section includes selected financial and demographic information.

The district is required to have an annual single audit in order to conform with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants and State Aid Payments". Information related to this audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and a schedule of findings and questioned costs are included in the supplementary section of this report.

1. Reporting Entity and its Services: The Fairview Public School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board as established by GASB Statement No. 14. All funds of the district are included in this report.

The district provides a full range of educational services appropriate to grade levels Pre-K through eight. These services include regular, as well as special education for students with disabilities. The fiscal year concluded with an enrollment of 1293 students. This number represents an increase of twenty (20) students from the previous fiscal year. The following is a view of the district enrollment for the last ten years.

Average Daily Enrollment

Year	Enrollment	Percent
2005-2006	1013	---
2006-2007	1005	(0.80)
2007-2008	1051	4.58
2008-2009	1043	(.76)
2009-2010	1115	6.9
2010-2011	1148	3.0
2011-2012	1196	4.2
2012-2013	1203	.06
2013-2014	1273	5.8
2014-2015	1293	1.6

2. Economic Condition and Outlook: The community of Fairview continues to see substantial growth in the multi-family housing market. As a result of this growth the school district is experiencing an influx of students at all levels. Over the ten year period from the 2005-2006 school year to the present, the overall student population has increased by 27.6% or 280 additional elementary school students. The overall district enrollment is expected to continue to increase over the next few years.

3. Major Initiatives: During the 2013-2014 the district made an effort prepare students for the administration of the PARCC (Partnership for Assessment of Readiness for Career and College). This effort involved increasing technology available to students in the classroom and upgrading the technology infrastructure. The district is currently awaiting the results of the PARCC test administered during the 2014-2015 school year.

In addition, the district continued its lease agreement with the Newark Archdiocese for what was formerly St. John the Baptist School located at 240 Fourth Street, Fairview, N.J. This building currently houses all first grade students in the Fairview Public School District.

4. Internal Accounting Controls: District management is responsible for establishing and maintaining structure designed to ensure district assets are safe from loss, misuse or theft and to ensure that accurate accounting data are compiled when preparing financial statements which conform to generally accepted accounting practices. The internal control structure provides reasonable, but not absolute, assurance that the objectives are met.

As a recipient of federal and state funds, the Fairview School District is also responsible to ensure compliance with laws and regulations related to those programs. The district internal control structure must also be periodically evaluated by the district management.

Part of the district's single audit requires tests to determine the accuracy of the internal control structure. This in an effort to ensure the district is in compliance with laws and regulations regarding federal and state funding programs.

5. Budgetary Controls: The district maintains budgetary controls, in addition to internal accounting controls, in an effort to ensure compliance with legal provisions in the annual appropriated budget. Annual budgets are adopted for the general debt service and special revenue funds. The final budget amounts are reported 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 cancelled or are included as re-appropriation of fund balance in the subsequent year. The funds that are to be re-appropriated are reported as reservations of fund balance on June 30, 2015.

6. Debt Administration: As of June 30, 2015, the district outstanding debt issues included a total of \$225,000 in Pension Refunding Bonds.

7. Cash Management: The district investment policy is in accordance with the state statute detailed in the "Notes to the Financial Statements". The district cash management plan requires it to deposit public funds in institutions protected from loss under the GUDPA (Governmental Units Deposit Protection Act) which was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed bank in the state of New Jersey.

8. Risk Management: The Fairview Board of Education is covered by a variety of insurance forms. These include general liability, auto liability and collision, hazard and theft insurance on buildings and other property (including contents) and fidelity bonds.

9. Other Information: The district is required to conduct an annual audit conducted by an independent certified public accountant or registered municipal accountant. The Fairview Board of Education currently employs the services of Ferraioli, Wielkotz, Cerullo & Cuva, P.A. as our independent accounting firm. The audit is performed and designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The report on basic financial statements and schedules is included in the financial section of the report. The auditors' report specifically related to the single audit is included in that section of this report.

10. Acknowledgements: The administration wishes to express their gratitude to the Fairview Board of Education for their efforts in providing fiscal accountability and stability to the children, parents and taxpayers of the borough of Fairview. With the support of the Fairview Board of Education, the district has been able to develop and maintain a stable financial base. In addition, the administration wishes to acknowledge the efforts of the Business Administrator and his staff for their dedicated service to the Fairview Public School District.

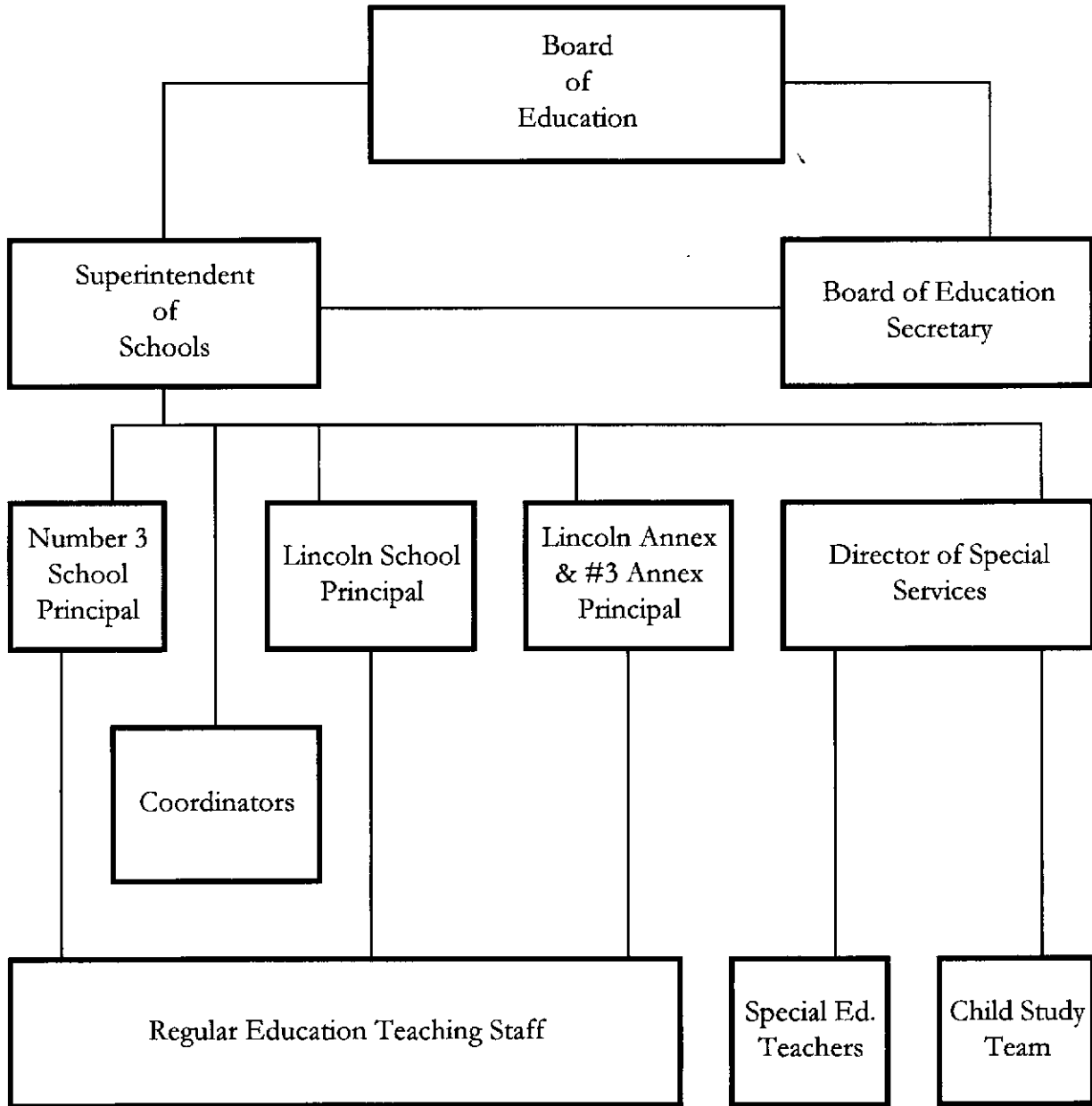
Respectfully submitted,

David S. Sleppin

Dr. David S. Sleppin
Superintendent of Schools

BOUROUGH OF FAIRVIEW BOARD OF EDUCATION

Fairview, New Jersey



FAIRVIEW BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jhon Gomez	2016
Louis Aveta	2017
Yara Betancourt	2015
Martin Booth	2015
Francisco Martinez	2016
Louis Lynaugh	2017
Diane Testa	2016
Maria Travers	2017

Other Officials

Louis De Lisio, Ph.D., Superintendent

Partick Caufield, School Business Administrator/Board Secretary

FAIRVIEW BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2015

Attorney

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Basile, Birchwale and Pellino
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Architect of Record

GEORGE HELD & ASSOCIATES, AIA
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District Auditor

STEVEN D. WIELKOTZ, C.P.A.
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Official Depository

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215 Bergen Blvd
Fairview, NJ 07022

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Fairview Board of Education
Fairview, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Fairview Board of Education, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



Honorable President and
Members of the Board of Education
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Fairview Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, and schedules related to accounting and reporting for pensions (GASB 68) identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Honorable President and
Members of the Board of Education
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Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fairview Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2015 on our consideration of the Fairview Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant



Honorable President and
Members of the Board of Education
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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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fairview Board of Education's internal control over financial reporting and compliance.

Steven D. Wielkatz

Steven D. Wielkatz, C.P.A.
Licensed Public School Accountant
No. 816

Ferraioli, Wielkatz, Cerullo & Cova, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 9, 2015



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

The discussion and analysis of the Fairview Board of Education’s financial performance provides an overall review of the School District’s financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District’s financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District’s revenues and expenditures by program for the General Fund, Special Revenue Fund, Debt Service and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased by \$413,600. Net position of governmental activities increased \$406,088 while net position of business-type activities increased by \$7,512.
- General revenues accounted for \$24,782,336 in revenue or 93 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,898,481 or 7 percent of total revenues of \$26,682,460.
- The School District had \$26,267,217 in expenses related to governmental and business-type activities; only \$1,898,481 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$24,782,336 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (government-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

District-Wide Financial Statements

The *statement of net position and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, “Is the District better or worse off as a result of the year’s activities?” These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year’s revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the Fairview Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

In the *Statement of Net Position and the Statement of Activities*, the District is divided into two distinct kinds of activities:

- Governmental Activities – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity – This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service Fund is reported as a business-type activity.

The two statements report the District's net position and changes in them. The change in net position can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fairview Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the district's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Position and the Statement of Activities).

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

The Fairview Board of Education maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue and debt service funds, which are both considered to be major funds.

The Fairview Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Fairview Board of Education uses proprietary funds to account for its food service program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net positions were \$2,555,341 at June 30, 2015 and \$5,673,788 at June 30, 2014. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2015 compared to 2014 (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets						
Current and Other Assets	3,494,813	3,375,757	58,879	47,235	3,553,692	3,422,992
Capital Assets:						
Land and Construction in Progress	1,320,213	1,320,213			1,320,213	1,320,213
Depreciable Buildings, Improvements and Equipment (net)	<u>3,283,526</u>	<u>2,693,207</u>	<u>13,382</u>	<u>17,514</u>	<u>3,296,908</u>	<u>2,710,721</u>
Total Assets	<u>8,098,552</u>	<u>7,389,177</u>	<u>72,261</u>	<u>64,749</u>	<u>8,170,813</u>	<u>7,453,926</u>
Deferred Outflows:						
Unamortized Bond Issuance Costs	7,001	9,334			7,001	9,334
Deferred Outflows of Resources						
Related to PERS	<u>695,749</u>				<u>695,749</u>	
Total Deferred Outflows	<u>702,750</u>	<u>9,334</u>			<u>702,750</u>	<u>9,334</u>
Liabilities						
Current Liabilities	1,334,782	959,977			1,334,782	959,977
Noncurrent Liabilities	<u>4,749,738</u>	<u>829,495</u>			<u>4,749,738</u>	<u>829,495</u>
Total Liabilities	<u>6,084,520</u>	<u>1,789,472</u>			<u>6,084,520</u>	<u>1,789,472</u>
Deferred Inflows:						
Deferred Inflows of Resources						
Related to PERS	<u>233,702</u>				<u>233,702</u>	
Total Deferred Inflows	<u>233,702</u>				<u>233,702</u>	
Net Position						
Net Investment in Capital						
Assets	4,278,874	3,727,754	13,382	17,514	4,292,256	3,745,268
Restricted	2,430,542	2,567,177			2,430,542	2,567,177
Unrestricted	<u>(4,226,336)</u>	<u>(685,892)</u>	<u>58,879</u>	<u>47,235</u>	<u>(4,167,457)</u>	<u>(638,657)</u>
Total Net Position	<u>2,483,080</u>	<u>5,609,039</u>	<u>72,261</u>	<u>64,749</u>	<u>2,555,341</u>	<u>5,673,788</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2015.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues:						
Charges for Services and Sales			10,005	31,041	10,005	31,041
Operating Grants and Contributions	1,571,386	1,733,921	317,090	362,183	1,888,476	2,096,104
General Revenues:						
Taxes:						
Property Taxes	13,533,081	13,457,389			13,533,081	13,457,389
Federal and State Aid not Restricted	10,658,316	8,861,509			10,658,316	8,861,509
Federal and State Aid - Debt Service		46,342				46,342
Federal and State Aid - Capital Outlay	8,954	5,480			8,954	5,480
State Aid - Capital Outlay						
Facilities Grant	213,958				213,958	
Tuition Received	10,530	13,050			10,530	13,050
Miscellaneous Income	354,499	86,618		2,059	354,499	88,677
Investment Income	2,955	3,457	43	49	2,998	3,506
Transfers	<u>(10,044)</u>	<u>(4,799)</u>	<u>10,044</u>	<u>4,799</u>		
Total Revenues and Transfers	<u>26,343,635</u>	<u>24,202,967</u>	<u>337,182</u>	<u>400,131</u>	<u>26,680,817</u>	<u>24,603,098</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Functions/Program Expenses						
Instruction:						
Regular	5,851,323	4,624,714			5,851,323	4,624,714
Special Education	3,177,747	2,975,019			3,177,747	2,975,019
Other Special Instruction	903,934	1,000,664			903,934	1,000,664
Other Instruction	55,423	40,468			55,423	40,468
Support Services:						
Tuition	7,632,695	7,212,821			7,632,695	7,212,821
Student & Instruction Related Services	2,220,215	2,031,343			2,220,215	2,031,343
School Administrative Services	738,929	650,907			738,929	650,907
General Administrative Services	892,615	711,639			892,615	711,639
Central Administration and Admin. Info. Tech.	740,156	608,662			740,156	608,662
Plant Operations and Maintenance	1,557,489	1,492,204			1,557,489	1,492,204
Pupil Transportation	394,459	365,833			394,459	365,833
Unallocated Benefits	1,488,287	1,267,932			1,488,287	1,267,932
Special Schools	21,000	21,000			21,000	21,000
Charter Schools						0
Capital Outlay - Nondepreciable		5,480			0	5,480
Interest on Long-Term Debt	15,561	21,128			15,561	21,128
Unallocated Depreciation	245,381	322,405			245,381	322,405
Capital Lease Obligations and Amortization	2,333	2,333			2,333	2,333
Food Service			<u>329,670</u>	<u>389,471</u>	<u>329,670</u>	<u>389,471</u>
Total Expenses	<u>25,937,547</u>	<u>23,354,552</u>	<u>329,670</u>	<u>389,471</u>	<u>26,267,217</u>	<u>23,744,023</u>
Increase or (Decrease) in						
Net Position	<u>406,088</u>	<u>848,415</u>	<u>7,512</u>	<u>10,660</u>	<u>413,600</u>	<u>859,075</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business- Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$26,267,217. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$13,533,081 because some of the cost was paid by those who benefitted from the programs \$10,005, by other governments and organizations who subsidized certain programs with grants and contributions \$1,888,476, unrestricted federal and state aid \$10,658,316, federal and state aid capital outlay \$8,954, state aid capital outlay facilities grant aid \$213,958, and by miscellaneous sources \$368,027.

Revenues for the District's business-type activities (food service and school age child care programs) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service revenues exceeded expenses by \$7,512.
- ✓ Charges for services provided totaled \$10,005. This represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$317,090.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2015, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent of Increase/ (Decrease)</u>
Local Source	\$13,906,065	55.8%	\$345,551	2.55%
State Source	9,753,053	39.1%	663,932	7.30%
Federal Source	<u>1,272,936</u>	<u>5.1%</u>	<u>(285,195)</u>	(18.30)%
Total	<u>\$24,932,054</u>	<u>100.0%</u>	<u>\$724,288</u>	2.99%
<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$7,578,324	30.2%	\$231,599	3.15%
Undistributed	16,639,008	66.2%	890,082	5.65%
Debt Service	84,950	0.3%	(234,339)	(73.39)%
Capital Outlay	<u>824,665</u>	<u>3.3%</u>	<u>819,185</u>	14948.63%
Total	<u>\$25,126,947</u>	<u>100.0%</u>	<u>\$1,706,527</u>	7.29%

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2015, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- The general fund was increased by \$1,081,217 for increases in transfer to capital projects fund.
- The special revenue fund was increased by \$70,266 for increases in federal and state grant awards.

General Fund

The general fund actual revenue was \$23,056,104. That amount is \$1,829,410 above the final amended budget of \$21,226,694. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$1,424,445 for TPAF social security reimbursements and on-behalf pension payments and a \$404,965 excess in miscellaneous anticipated revenues, other state aids and other federal aids.

The actual expenditures of the general fund were \$23,890,690 including transfers which is \$513,263 less than the final amended budget of \$23,377,427. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$1,424,445 and \$911,182 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$1,558,018. That amount is above the original budget estimate of \$1,686,718 and below the final amended budget of \$1,756,984. The \$70,266 variance between the original and final budget was due to additional federal and state grant monies awarded to the District after the original budget was approved. The \$198,966 variance between the final amended budget and the June 30, 2015 actual results was due to the deferral of Federal and State grants received in the current fiscal year to be spent in the next fiscal year.

The actual expenditures of the special education fund were \$1,558,018, which is above the original budget of \$1,686,718 and below the final amended budget of \$1,756,984. The \$70,266 variance between the original and final budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved. The \$198,966 variance between the final amended budget and the June 30, 2015 actual results was due to the anticipation of fully expending

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2015 the School District had \$13,249,890 invested in sites, buildings, equipment and construction in progress. Of this amount, \$8,632,769 in depreciation has been taken over the years. We currently have a net book value of \$4,617,121. Total depreciable additions for the year were \$835,700, which consisted of various equipment purchases and site and building improvements. Table 3 shows fiscal year 2015 balances compared to 2014.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	1,320,213	1,320,213			1,320,213	1,320,213
Site Improvements	119,536	130,673			119,536	130,673
Buildings and Improvements	2,647,007	1,926,332			2,647,007	1,926,332
Machinery and Equipment	<u>516,983</u>	<u>636,202</u>	<u>13,382</u>	<u>17,514</u>	<u>530,365</u>	<u>653,716</u>
	<u>4,603,739</u>	<u>4,013,420</u>	<u>13,382</u>	<u>17,514</u>	<u>4,617,121</u>	<u>4,030,934</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)

Debt Administration

At June 30, 2015, the District had \$4,749,738 of long term debt. Of this amount, \$496,340 is for compensated absences, \$225,000 is for the pension refunding bonds, \$106,866 is for obligations under capital lease, and \$3,921,532 is for net pension liability.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>2015</u>	<u>2014</u>
2003 Pension Refunding Bonds	<u>\$225,000</u>	<u>\$295,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates have declined to the point that the legislature and governor have approved a State Aid funding bill for the 2015-2016 school year that is slightly above the funding level of the 2014-2015 school year.

These factors were considered in preparing the Fairview Board of Education's budgets for the 2015-2016 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Fairview Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

School Business Administrator
Fairview Board of Education
Hamilton and Day Avenues
Fairview, NJ 07022

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

FAIRVIEW BOARD OF EDUCATION
Statement of Net Position
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	935,479	28,413	963,892
Receivables, net	1,917,387	30,113	1,947,500
Internal Balances	(353)	353	-
Restricted assets:			
Reserve accounts - cash	642,300		642,300
Capital assets:			
Land and Construction in Progress	1,320,213		1,320,213
Depreciable Buildings, Improvements and Equipment (net)	3,283,526	13,382	3,296,908
Total Assets	<u>8,098,552</u>	<u>72,261</u>	<u>8,170,813</u>
Deferred Outflow of Resources:			
Unamortized bond issuance costs	7,001		7,001
Deferred outflows of resources related to PERS	695,749		695,749
Total Deffered Outflows	<u>702,750</u>		<u>702,750</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,314,937		1,314,937
Payable to federal government	1,643		1,643
Payable to state government	11,947		11,947
Deferred revenue	6,255		6,255
Noncurrent liabilities:			
Due within one year	108,833		108,833
Due beyond one year	4,640,905		4,640,905
Total liabilities	<u>6,084,520</u>	<u>-</u>	<u>6,084,520</u>
Deferred Inflows of Resources:			
Deferred inflows of resources related to PERS	233,702		233,702
Total Deffered Inflows	<u>233,702</u>		<u>233,702</u>
NET POSITION			
Net Investment in Capital Assets	4,278,874	13,382	4,292,256
Restricted for:			
Debt service	1		1
Capital projects	799,605		799,605
Other purposes	1,630,936		1,630,936
Unrestricted (Deficit)	(4,226,336)	58,879	(4,167,457)
Total net position	<u>2,483,080</u>	<u>72,261</u>	<u>2,555,341</u>

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

FAIRVIEW BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
Instruction:						
Regular	4,281,880	1,569,443			(5,851,323)	(5,851,323)
Special education	2,596,871	580,876		1,251,079	(1,926,668)	(1,926,668)
Other special instruction	630,001	273,933			(903,934)	(903,934)
Other instruction	41,045	14,378			(55,423)	(55,423)
Support services:						
Tuition	7,632,695				(7,632,695)	(7,632,695)
Student & instruction related services	1,749,995	470,220		320,307	(1,899,908)	(1,899,908)
School administrative services	514,540	224,389			(738,929)	(738,929)
General administrative services	734,970	157,645			(892,615)	(892,615)
Central services and administrative information technology	530,862	209,294			(740,156)	(740,156)
Plant operations and maintenance	1,297,236	260,253			(1,557,489)	(1,557,489)
Pupil transportation	303,807	90,652			(394,459)	(394,459)
Unallocated benefits	1,488,287				(1,488,287)	(1,488,287)
Special schools	21,000				(21,000)	(21,000)
Interest on long-term debt	15,561				(15,561)	(15,561)
Unallocated depreciation	245,381				(245,381)	(245,381)
Amortization	2,333				(2,333)	(2,333)
Total governmental activities	22,086,464	3,851,083	-	1,571,386	(24,366,161)	(24,366,161)
Business-type activities:						
Food Service	329,670		10,005	317,090		(2,575)
Total business-type activities	329,670		10,005	317,090		(2,575)
Total primary government	22,416,134		10,005	1,888,476	(24,366,161)	(24,368,736)
General revenues:						
Taxes:						
Levied for general purposes					13,448,133	13,448,133
Taxes levied for debt service					84,948	84,948
Federal and State aid not restricted					10,658,316	10,658,316
Federal and State aid - Capital Outlay					8,954	8,954
State aid - Capital Outlay Facilities Grant					213,958	213,958
Investment Earnings					2,955	2,998
Miscellaneous Income					354,499	354,499
Tuition from Summer Schools					10,530	10,530
Transfers					(10,044)	-
Total general revenues, special items, extraordinary items and transfers					24,772,249	24,782,336
Change in Net Position					406,088	413,600
Net Position—beginning (restated)					2,076,992	2,141,741
Net Position—ending					2,483,080	2,555,341

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

FUND FINANCIAL STATEMENTS

FAIRVIEW BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents					
Checking	392,131		543,347	1	935,479
Accounts Receivable -					
Interfunds	84,057				84,057
Intergovernmental - Federal	22,387	145,945			168,332
Intergovernmental - State	407,340		213,958		621,298
Other receivables	1,127,757				1,127,757
Restricted cash and cash equivalents					
Capital reserve	42,300				42,300
Tuition reserve	600,000				600,000
Total assets	<u>2,675,972</u>	<u>145,945</u>	<u>757,305</u>	<u>1</u>	<u>3,579,223</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,095,604	42,043			1,137,647
Intergovernmental accounts payable - State		11,947			11,947
Intergovernmental accounts payable - Federal		1,643			1,643
Interfund payables	353	84,057			84,410
Deferred revenue		6,255			6,255
Total liabilities	<u>1,095,957</u>	<u>145,945</u>	<u>-</u>	<u>-</u>	<u>1,241,902</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	145,633				145,633
Excess Surplus - prior year - designated for subsequent year's expenditures	184,306				184,306
Capital reserve account	42,300				42,300
Tuition reserve	600,000				600,000
Assigned to:					
Year-end Encumbrances	191,890		499,237		691,127
Designated by the BOE for subsequent year's expenditures	509,107				509,107
Capital projects fund			258,068		258,068
Debt service fund				1	1
Unassigned:					
General fund	(93,221)				(93,221)
Total Fund balances	<u>1,580,015</u>	<u>-</u>	<u>757,305</u>	<u>1</u>	<u>2,337,321</u>
Total liabilities and fund balances	<u>2,675,972</u>	<u>145,945</u>	<u>757,305</u>	<u>1</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$13,186,820 and the accumulated depreciation is \$8,583,081	4,603,739
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds	(2,731)
Accounts payable for subsequent Pension payment is not a payable in the funds	(174,559)
Bond issuance costs are reported as expenditures in the Governmental Funds in the year of the expenditure. The costs are \$30,000 and accumulated amortization is \$22,999	7,001
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred outflows of resources related to PERS Pension Liability	695,749
Deferred inflows of resources related to PERS Pension Liability	(233,702)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)	(4,749,738)
Net position of governmental activities	<u>2,483,080</u>

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

FAIRVIEW BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Municipal tax levy	13,448,133			84,948	13,533,081
Tuition from Summer School	10,530				10,530
Miscellaneous	357,454	5,000			362,454
Total - Local Sources	13,816,117	5,000	-	84,948	13,906,065
State sources	9,196,028	343,067	213,958		9,753,053
Federal sources	40,663	1,232,273			1,272,936
Total revenues	23,052,808	1,580,340	213,958	84,948	24,932,054
EXPENDITURES					
Current:					
Regular instruction	4,310,407				4,310,407
Special education instruction	1,345,792	1,251,079			2,596,871
Other special instruction	630,001				630,001
School sponsored/other instructional	41,045				41,045
Support services and undistributed costs:					
Tuition	7,632,695				7,632,695
Attendance and social work services	192,213				192,213
Health services	231,111				231,111
Student & instruction related services	1,006,364	320,307			1,326,671
School administrative services	514,540				514,540
General administrative services	734,970				734,970
Central services & administrative information technology	530,862				530,862
Plant operations and maintenance	1,297,236				1,297,236
Pupil transportation	303,807				303,807
Unallocated benefits	2,429,458				2,429,458
On-behalf contributions	1,424,445				1,424,445
Special Schools:					
Summer School Instruction	21,000				21,000
Debt service:					
Principal				70,000	70,000
Interest and other charges				14,950	14,950
Capital outlay	124,358	8,954	691,353		824,665
Total expenditures	22,770,304	1,580,340	691,353	84,950	25,126,947
Excess (Deficiency) of revenues	282,504	-	(477,395)	(2)	(194,893)
OTHER FINANCING SOURCES (USES)					
Transfers in			1,234,700		1,234,700
Transfers out	(1,244,744)				(1,244,744)
Capital Leases (non-budgeted)	124,358				124,358
Total other financing sources and uses	(1,120,386)	-	1,234,700	-	114,314
Net change in fund balances	(837,882)	-	757,305	(2)	(80,579)
Fund balance—July 1	2,417,897			3	2,417,900
Fund balance—June 30	1,580,015	-	757,305	1	2,337,321

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

FAIRVIEW BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Fiscal Year Ended June 30, 2015

Total net change in fund balances - governmental funds (from B-2)		(80,579)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense	(245,381)	
Depreciable Capital outlays	<u>835,700</u>	590,319
Repayment of long-term debt is reported as 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. In the current year, these amounts consist of:		
General Bond Obligations - Principal	70,000	
Capital Lease Obligations - Principal	<u>17,492</u>	87,492
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.		
Capital lease proceeds		<u>(124,358)</u>
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 reconciliation. (+)		
General Bond Obligations - Prior Year	2,120	
General Bond Obligations	<u>(2,731)</u>	(611)
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 difference is an addition to the reconciliation (+).		
Decrease in compensated absences payable		38,155
District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changed in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
District Pension Contributions	172,670	
Less: Pension Expense	<u>(274,667)</u>	(101,997)
Increase in Pension Expense		
Per GASB No. 68, Non-employer contributing entities are required to record any increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.		
Increase in On-behalf State Aid TPAF Pension		1,421,625
Increase in On-behalf TPAF Pension Expense		(1,421,625)
The governmental funds report the effect of issuance costs when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (-)		
		(2,333)
Change in net position of governmental activities		<u><u>406,088</u></u>

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

FAIRVIEW BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2015

		<u>Business-type Activities - Enterprise Fund</u>
		<u>Food Service Program</u>
ASSETS		
Current assets:		
Cash and cash equivalents	28,413	
Interfund receivable	353	
Accounts receivable:		
State	652	
Federal	29,461	
Total current assets	<u>58,879</u>	
Noncurrent assets:		
Capital assets:		
Equipment	63,070	
Less accumulated depreciation	<u>(49,688)</u>	
Total capital assets (net of accumulated depreciation)	<u>13,382</u>	
Total assets	<u>72,261</u>	
NET POSITION		
Net Investment in Capital Assets	13,382	
Unrestricted	<u>58,879</u>	
Total net position	<u><u>72,261</u></u>	

FAIRVIEW BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2015

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
Operating revenues:	
Charges for services:	
Daily sales	10,005
Total operating revenues	<u>10,005</u>
Operating expenses:	
Cost of sales	325,538
Depreciation expense	4,132
Total Operating Expenses	<u>329,670</u>
Operating income (loss)	<u>(319,665)</u>
Nonoperating revenues (expenses):	
State sources:	
School lunch program	5,365
Federal sources:	
National school lunch program	278,178
Breakfast program	33,547
Interest Income	43
Total nonoperating revenues (expenses)	<u>317,133</u>
Income (loss) before contributions & transfers	<u>(2,532)</u>
Other financing sources/(uses)	
Transfer In	10,044
Change in net position	<u>7,512</u>
Total net position—beginning	<u>64,749</u>
Total net position—ending	<u><u>72,261</u></u>

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

FAIRVIEW BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2015

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	10,005
Payments to suppliers	<u>(325,538)</u>
Net cash provided by (used for) operating activities	<u>(315,533)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	5,380
Federal Sources	320,676
Transfer In	10,044
Net cash provided by (used for) non-capital financing activities	<u>336,100</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	<u>43</u>
Net cash provided by (used for) investing activities	<u>43</u>
Net increase (decrease) in cash and cash equivalents	<u>20,610</u>
Balances—beginning of year	<u>7,803</u>
Balances—end of year	<u><u>28,413</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(319,665)
Adjustments to reconcile operating income (loss) to net cash provided by	
Depreciation and net amortization	4,132
Total adjustments	<u>4,132</u>
Net cash provided by (used for) operating activities	<u><u>(315,533)</u></u>

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

FAIRVIEW BOARD OF EDUCATION
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Agency Fund
ASSETS	
Cash and cash equivalents	275,122
Total assets	275,122
LIABILITIES	
Payable to student groups	17,725
Payroll deductions and withholdings	255,462
Region VI Fund	1,935
Total liabilities	275,122

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

NOTES TO THE FINANCIAL STATEMENTS

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Fairview Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Fairview Board of Education is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board’s duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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 whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization’s board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fairview Board of Education have been prepared in conformity with accounting principles generally accepted in the United States of America (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 more significant of the board’s accounting policies are described below.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

A. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements:

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

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

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. 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 Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America 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.

Special Revenue Fund - The Special Revenue 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 sale of bonds, lease purchases and other revenues.

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.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service. The following is a description of the Proprietary Funds of the Board:

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 Board 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 Board has decided that 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 Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Region VI Student Activities Fund, Payroll and Payroll Agency Fund.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus: (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

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

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Basis of Accounting: (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education increased the general fund budget by \$1,081,219 for additional transfers to the capital projects fund.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. 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 accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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.

E. Encumbrances:

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

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

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

F. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include 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. 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.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

F. Cash, Cash Equivalents and Investments: (continued)

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 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 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.

G. Tuition Payable:

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

H. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

K. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

L. 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 Board 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 Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

M. Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

O. Accounting and Financial Reporting for Pensions:

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

O. Accounting and Financial Reporting for Pensions: (continued)

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

P. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

P. Fund Balances: (continued)

- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

Q. Net Position:

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

R. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for the Food Service Program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

S. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

T. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

U. Use of Estimates:

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

V. Recent Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

V. Recent Accounting Pronouncements: (continued)

The Government Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27”. This statement, which is effective for fiscal periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Government Accounting Standards Board issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2015, \$-0- of the District's bank balance of \$2,143,286 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 4. RECEIVABLES

Receivables at June 30, 2015, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
Other Receivables	\$1,127,757	\$	\$1,127,757
State Aid	621,298	652	621,950
Federal Aid	168,332	29,461	197,793
Due from Other Funds	<u>84,057</u>	<u>353</u>	<u></u>
Gross Receivables	2,001,444	30,466	1,947,500
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$2,001,444</u>	<u>\$30,466</u>	<u>\$1,947,500</u>

NOTE 5. INTERFUND BALANCE AND ACTIVITY

Balance due to/from other funds at June 30, 2015, consist of the following:

\$ 353	Due to the Enterprise Fund from the General Fund for subsidiary receipts not turned over.
<u>84,057</u>	Due to the General Fund from the Special Revenue Fund for short term loans.
<u>\$84,410</u>	

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Beginning Balance 6/30/14	Additions	Retirements	Ending Balance 6/30/15
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	1,320,213	_____	_____	1,320,213
Total Capital Assets Not Being Depreciated	<u>1,320,213</u>	_____	_____	<u>1,320,213</u>
Site Improvements	313,485			313,485
Buildings and Building Improvements	7,908,124	835,700		8,743,824
Machinery and Equipment	<u>2,809,298</u>	_____	_____	<u>2,809,298</u>
Totals at Historical Cost	<u>11,030,907</u>	<u>835,700</u>	_____	<u>11,866,607</u>
Less Accumulated Depreciation:				
Sites and Improvements	(182,812)	(11,137)		(193,949)
Buildings and Improvements	(5,981,792)	(115,025)		(6,096,817)
Machinery and Equipment	<u>(2,173,096)</u>	<u>(119,219)</u>	_____	<u>(2,292,315)</u>
Total Accumulated Depreciation	<u>(8,337,700)</u>	<u>(245,381)</u>	_____	<u>(8,583,081)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>2,693,207</u>	<u>590,319</u>	_____	<u>3,283,526</u>
Governmental Activities Capital Assets, Net	<u>4,013,420</u>	<u>590,319</u>	=====	<u>4,603,739</u>

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 6. CAPITAL ASSETS, (continued)

	Beginning Balance <u>6/30/14</u>	<u>Additions</u>	<u>Retirements</u>	Ending Balance <u>6/30/15</u>
Business-Type Activity				
Equipment	<u>63,070</u>	—	—	<u>63,070</u>
Totals at historical	<u>63,070</u>	—	—	<u>63,070</u>
Less Accumulated Depreciation for:				
Equipment	<u>(45,556)</u>	<u>(4,132)</u>	—	<u>(49,688)</u>
Total Accumulated Depreciation	<u>(45,556)</u>	<u>(4,132)</u>	—	<u>(49,688)</u>
Business-Type Activity Capital Assets, Net	<u><u>17,514</u></u>	<u><u>(4,132)</u></u>	<u>—</u>	<u><u>13,382</u></u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as unallocated depreciation.

NOTE 7. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2015 were as follows:

	Balance <u>June 30, 2014</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>June 30, 2015</u>	Amount Due Within <u>One Year</u>
Bonds Payable:					
General Obligation Debt	<u>\$295,000</u>	\$ —	<u>\$(70,000)</u>	<u>\$225,000</u>	<u>\$70,000</u>
Total Bonds Payable	<u>295,000</u>	—	<u>(70,000)</u>	<u>225,000</u>	<u>70,000</u>
Other Liabilities:					
Obligations Under Capital Lease		124,358	(17,492)	106,866	38,833
Compensated Absences Payable	534,495	27,133	(65,288)	496,340	
Net Pension Liability PERS	<u>3,532,047</u>	<u>389,485</u>	—	<u>3,921,532</u>	—
Total Other Liabilities	<u>4,066,542</u>	<u>540,976</u>	<u>(82,780)</u>	<u>4,524,738</u>	<u>38,833</u>
	<u><u>4,361,542</u></u>	<u><u>540,976</u></u>	<u><u>(\$152,780)</u></u>	<u><u>\$4,749,738</u></u>	<u><u>\$108,833</u></u>

A. Bonds Payable:

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

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 7. LONG-TERM OBLIGATION ACTIVITY, (continued)

Outstanding bonds payable at June 30, 2015 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2015</u>
ERIP Refunding Bonds	10/1/2003	5.50%-5.75%	10/1/2017	<u>\$225,000</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$70,000	\$10,925	\$80,925
2017	75,000	6,756	81,756
2018	80,000	2,300	82,300
	<u>\$225,000</u>	<u>\$19,981</u>	<u>\$244,981</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2015 the Board has no authorized but not issued bonds.

C. Capital Leases

The District is leasing various equipment including Apple I-Pads and accessories. The Apple-I Pad's capital leases are for thirty-six months. The following is a schedule of future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2015:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$39,130	\$9,502	\$48,632
2017	43,525	5,107	48,632
2018	24,206	824	25,030
	<u>\$106,861</u>	<u>\$15,433</u>	<u>\$122,294</u>
Total minimum lease payments			\$122,294
Less: Amount representing interest			<u>(15,433)</u>
Present value of lease payments			<u>\$106,861</u>

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. OPERATING LEASES

The District has commitments to lease certain office equipment and a building for classroom use under operating leases that expire in 2019. Total operating lease payments made during the year ended June 30, 2015 were \$183,255. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$184,191
2017	43,099
2018	27,138
2019	<u>13,569</u>
	<u>\$267,997</u>

NOTE 9. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS, (continued)

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Contribution Requirements Fund Based Statements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee’s annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board’s contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/15	\$172,670	\$14,120
6/30/14	155,055	12,512
6/30/13	136,876	17,932

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS, (continued)

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>
6/30/15	\$325,683	\$554,219	\$23,431
6/30/14	239,344	427,074	21,126
6/30/13	390,985	465,366	20,571

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$521,112 during the year ended June 30, 2015 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported a liability of \$3,921,532 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was .0209452961 percent, which was an increase of .0000246450 percent from its proportion measured as of June 30, 2013.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS, (continued)

For the year ended June 30, 2015, the District recognized pension expense of \$274,667. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$123,314	\$
Net difference between projected and actual earnings on pension plan investments		233,702
Changes in proportion and differences between District contributions and proportionate share of contributions	397,876	
District contributions subsequent to the measurement date	<u>174,559</u>	<u> </u>
Total	<u>\$695,749</u>	<u>\$233,702</u>

The \$174,559 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$(35,757)
2017	(35,757)
2018	(35,757)
2019	22,668
Thereafter	9,974

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS, (continued)

Additional Information

Local Group Collective balances at December 31, 2014 and 2013 are as follows:

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	\$19,111,986,911
District's Proportion	.0209452961%	.0184807929%

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.01 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS, (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS, (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2014</u>		
	1% Decrease <u>4.39%</u>	At Current Discount Rate <u>5.39%</u>	1% Increase <u>6.39%</u>
District's proportionate share of the pension liability	\$4,933,421	\$3,921,532	\$3,071,803

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>32,907,617</u>
	<u>\$32,907,617</u>

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS, (continued)

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .0615708528%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$1,770,739 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS, (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	<u>100.00%</u>	

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State 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, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding 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 Chapter 126, which provides employer paid 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Valic
Equitable
Prudential Financial

NOTE 12. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this method, the District remits all contributions directly to the State of New Jersey Unemployment Trust Fund.

NOTE 13. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Fairview Board of Education by inclusion of \$552,000 on July 25, 2012 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). 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 amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 13. CAPITAL RESERVE ACCOUNT, (continued)

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.

The activity of the capital reserve account for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$1,252,000
Increased by:	
Deposits Approved by Board Resolution	25,000
Decreased by:	
Budget Appropriations	<u>1,234,700</u>
Ending Balance, June 30, 2015	<u>\$ 42,300</u>

NOTE 14. TUITION RESERVE

A tuition reserve was established by the Fairview Board of Education by inclusion of \$520,000 on July 25, 2012 for the accumulation of funds for use in subsequent fiscal years. The reserve for tuition is maintained in the general fund. The tuition reserve represent a year end fund balance classification to reserve unrestricted fund balance for a foreseeable future tuition adjustment pursuant to N.J.A.C. 6A:23A-17.1(f). The tuition reserve enables the District to reserve fund balance for an anticipated large tuition adjustment for the current contract year. The major contributing factor for tuition adjustments and use of the reserve is a significant change from estimated to the actual enrollment.

The activity of the Tuition Reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$325,000
Increased by:	
Deposits Approved by Board Resolution	400,000
Decreased by:	
Budget Appropriations	<u>125,000</u>
Ending Balance, June 30, 2015	<u>\$600,000</u>

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 15. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$1,580,015 General Fund fund balance at June 30, 2015, \$191,890 is reserved for encumbrances; \$329,939 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 \$184,306 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016; \$42,300 has been reserved in the Capital Reserve Account; \$600,000 has been reserved in the Tuition Reserve Account; \$509,107 of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ended June 30, 2016; \$(93,221) is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund balance at June 30, 2015 of \$1 is unreserved and undesignated.

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$329,939. Of this amount, \$145,633 is the result of current year's operations.

NOTE 17. RESTATEMENT

Net position for June 30, 2014 was restated in the amount of \$(3,532,047) to reflect the net pension liability at June 30, 2013 for the Public Employee Retirement System (PERS) as per Governmental Accounting Standards Board ("GASB") number 68. This resulted in restatement of net position as of June 30, 2014 as follows:

	<u>Governmental Activities</u>
Net Position at June 30, 2014	\$5,609,039
Prior Period Adjustment for Net Pension Liability	<u>3,532,047</u>
Net Position at June 30, 2014 - Restated	<u><u>\$2,076,992</u></u>

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 18. CONTINGENT LIABILITIES

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

Litigation - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

NOTE 19. SUBSEQUENT EVENTS

The Board has evaluated subsequent events through November 9, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

**FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	13,448,133		13,448,133	13,448,133	
Other Local Governmental Units	100,000		100,000		(100,000)
Tuition from Summer School	14,000		14,000	10,530	(3,470)
Unrestricted Miscellaneous Revenues	227,000		227,000	357,454	130,454
Total - Local Sources	<u>13,789,133</u>		<u>13,789,133</u>	<u>13,816,117</u>	<u>26,984</u>
Revenues from State Sources:					
Categorical Special Education Aid	947,543		947,543	947,543	
Equalization Aid	5,842,254		5,842,254	5,842,254	
Categorical Security Aid	109,205		109,205	109,205	
Categorical Transportation Aid	31,122		31,122	31,122	
Under Adequacy Aid		428,905	428,905	428,905	
Extraordinary Aid				154,500	154,500
Other State Aids	463,525	(428,905)	34,620	261,350	226,730
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				554,219	554,219
On-behalf TPAF Pension (non-budgeted)				325,683	325,683
On-behalf TPAF NCGI Premium (non-budgeted)				23,431	23,431
Reimbursed TPAF Social Security Contributions (non-budgeted)				521,112	521,112
Total - State Sources	<u>7,393,649</u>		<u>7,393,649</u>	<u>9,199,324</u>	<u>1,805,675</u>
Revenues from Federal Sources:					
Special Education Medicaid Initiative	43,912		43,912	34,937	(8,975)
ARRA - Special Education Medicaid Initiative				5,726	5,726
Total - Federal Sources	<u>43,912</u>		<u>43,912</u>	<u>40,663</u>	<u>(3,249)</u>
TOTAL REVENUES	<u>21,226,694</u>		<u>21,226,694</u>	<u>23,056,104</u>	<u>1,829,410</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	126,801	(4,764)	122,037	122,037	
Kindergarten - Salaries of Teachers	279,338	88,922	368,260	368,260	
Grades 1-5 - Salaries of Teachers	1,683,621		1,892,144	1,892,144	
Grades 6-8 - Salaries of Teachers	1,146,044	18,501	1,164,545	1,164,545	
Regular Programs - Home Instruction:					
Salaries of Teachers	12,675	2,998	15,673	15,672	1
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	130,208	28,004	158,212	158,212	
Other Purchased Services (400-500 series)	60,000	(8,700)	51,300	44,050	7,250
General Supplies	251,936	92,871	344,807	262,361	82,446
Textbooks	256,671	(57,643)	199,028	192,772	6,256
Other Objects	80,637	17,338	97,975	90,354	7,621
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>4,027,931</u>	<u>386,050</u>	<u>4,413,981</u>	<u>4,310,407</u>	<u>103,574</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	284,357	67,013	351,370	351,370	
Other Salaries for Instruction	58,649	31,490	90,139	90,108	31
General Supplies	3,000	100	3,100	2,472	628
Textbooks	5,138	900	6,038	4,272	1,766
Other Objects	500	400	900	741	159
Total Learning and/or Language Disabilities	<u>351,644</u>	<u>99,903</u>	<u>451,547</u>	<u>448,963</u>	<u>2,584</u>
Resource Room/Resource Center:					
Salaries of Teachers	554,593	68,095	622,688	622,492	196
General Supplies	1,000	2,000	3,000	2,366	634
Textbooks	1,000	(1,000)			
Other Objects	1,000	(1,000)			
Total Resource Room/Resource Center	<u>557,593</u>	<u>68,095</u>	<u>625,688</u>	<u>624,858</u>	<u>830</u>
Autism:					
Salaries of Teachers	50,014	1,026	51,040	51,040	
Other Salaries for Instruction	70,480	(54,100)	16,380	16,227	153
General Supplies	1,000	300	1,300	1,274	26
Total Autism	<u>121,494</u>	<u>(52,774)</u>	<u>68,720</u>	<u>68,541</u>	<u>179</u>
Preschool Disabilities- Full-Time:					
Salaries of Teachers	161,395	5,357	166,752	166,752	
Other Salaries for Instruction	64,280	(29,716)	34,564	33,996	568
General Supplies	2,500	250	2,750	2,682	68
Other Objects	500	(357)	143		143
Total Preschool Disabilities - Full-Time	<u>228,675</u>	<u>(24,466)</u>	<u>204,209</u>	<u>203,430</u>	<u>779</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,259,406</u>	<u>90,758</u>	<u>1,350,164</u>	<u>1,345,792</u>	<u>4,372</u>

Exhibit C-1

**FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction					
Salaries of Teachers	417,531	(256,404)	161,127	161,127	
General Supplies	3,035	(2,500)	535	535	
Textbooks	600	(553)	47	47	
Other Objects	500	(500)			
Total Basic Skills/Remedial - Instruction	<u>421,666</u>	<u>(259,957)</u>	<u>161,709</u>	<u>161,709</u>	
Bilingual Education - Instruction					
Salaries of Teachers	409,869	30,579	440,448	440,448	
Other Salaries for Instruction	9,047	17,636	26,683	26,571	112
General Supplies	1,500	1,000	2,500	1,273	1,227
Textbooks	1,000	10,300	11,300		11,300
Other Objects	500	(300)	200		200
Total Bilingual Education - Instruction	<u>421,916</u>	<u>59,215</u>	<u>481,131</u>	<u>468,292</u>	<u>12,839</u>
School-Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	23,119	(2,743)	20,376	15,632	4,744
Purchased Services (300-500 series)	2,500	(2,500)			
Supplies and Materials	2,700	(2,700)			
Total School-Sponsored Cocurricular Activities - Instruction	<u>28,319</u>	<u>(7,943)</u>	<u>20,376</u>	<u>15,632</u>	<u>4,744</u>
School-Sponsored Athletics - Instruction					
Salaries	15,145	2,193	17,338	17,338	
Purchased Services (300-500 series)		200	200	75	125
Supplies and Materials	2,500	5,550	8,050	8,000	50
Total School-Sponsored Athletics - Instruction	<u>17,645</u>	<u>7,943</u>	<u>25,588</u>	<u>25,413</u>	<u>175</u>
TOTAL INSTRUCTION	<u>6,176,883</u>	<u>276,066</u>	<u>6,452,949</u>	<u>6,327,245</u>	<u>125,704</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	5,101,250	109,695	5,210,945	5,206,456	4,489
Tuition to Other LEAs Within the State - Special	1,653,188	(250,392)	1,402,796	1,381,810	20,986
Tuition to County Voc. School Dist. - Regular	111,384	(2,736)	108,648	108,648	
Tuition to County Voc. School Dist. - Special	26,100	27,267	53,367	48,900	4,467
Tuition to CSSD & Regional Day Schools	763,730	21,559	785,289	722,172	63,117
Tuition to Private Schools for the Handicapped - Within State	339,229	(107,385)	231,844	164,709	67,135
Total Undistributed Expenditures - Instruction:	<u>7,994,881</u>	<u>(201,992)</u>	<u>7,792,889</u>	<u>7,632,695</u>	<u>160,194</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	166,368	25,845	192,213	192,213	
Total Undistributed Expend. - Attend. & Social Work	<u>166,368</u>	<u>25,845</u>	<u>192,213</u>	<u>192,213</u>	
Undist. Expend. - Health Services					
Salaries	186,388	(21,524)	164,864	164,476	388
Purchased Professional and Technical Services	49,000	3,064	52,064	52,064	
Supplies and Materials	8,000	9,051	17,051	14,571	2,480
Total Undistributed Expenditures - Health Services	<u>243,388</u>	<u>(9,409)</u>	<u>233,979</u>	<u>231,111</u>	<u>2,868</u>
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	214,415	43,298	257,713	257,254	459
Purchased Prof. Services-Educational Services	175,000	119,304	294,304	281,058	13,246
Supplies and Materials	500		500	47	453
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	<u>389,915</u>	<u>162,602</u>	<u>552,517</u>	<u>538,359</u>	<u>14,158</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	369,702	5,946	375,648	373,592	2,056
Salaries of Secretarial and Clerical Assistants	87,061	4,000	91,061	90,483	578
Total Undist. Expend. - Child Study Teams	<u>456,763</u>	<u>9,946</u>	<u>466,709</u>	<u>464,075</u>	<u>2,634</u>
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	55,104	(54,877)	227	227	
Supplies and Materials	4,400	800	5,200	3,703	1,497
Other Objects	800	(800)			
Total Undist. Expend. - Educational Media Serv./Sch. Library	<u>60,304</u>	<u>(54,877)</u>	<u>5,427</u>	<u>3,930</u>	<u>1,497</u>
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	3,500		3,500		3,500
Total Undist. Expend. - Instructional Staff Training Serv.	<u>3,500</u>		<u>3,500</u>		<u>3,500</u>
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	364,154	(1,220)	362,934	361,490	1,444
Legal Services	57,000	(6,417)	50,583	49,227	1,356
Audit Fees	78,755	(3,906)	74,849	31,740	43,109
Architectural/Engineering Services	26,500	67,449	93,949	91,661	2,288
Purchased Technical Services	26,576	(11,994)	14,582	14,582	
Communications/Telephone	15,310	(3,317)	11,993	10,346	1,647
Other Purch Services (400-500 Series)	115,000	13,765	128,765	126,653	2,112
General Supplies	22,535	13,541	36,076	35,893	183
Misc. Expenditures	22,500	(18,376)	4,124	4,124	
BOE Membership Dues and Fees	9,800	(524)	9,276	9,254	22
Total Undist. Expend. - Supp. Serv. - General Administration	<u>738,130</u>	<u>49,001</u>	<u>787,131</u>	<u>734,970</u>	<u>52,161</u>

Exhibit C-1

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	372,127	(7,283)	364,844	358,014	6,830
Salaries of Secretarial and Clerical Assistants	132,764	28,725	161,489	156,526	4,963
Total Undist. Expend. - Support Serv. - School Administration	504,891	21,442	526,333	514,540	11,793
Undist. Expend. - Support Serv. - Central Services					
Salaries	434,275	8,754	443,029	442,804	225
Supplies and Materials	22,000	(662)	21,338	21,008	330
Misc. Expenditures	25,000	1,292	26,292	26,292	
Total Undist. Expend. - Support Serv. - Central Services	481,275	9,384	490,659	490,104	555
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	37,049	73	37,122	37,121	1
Other Purch Services (400-500 Series)	15,000	(9,956)	5,044	3,637	1,407
Total Undist. Expend. - Support Serv. - Administrative	52,049	(9,883)	42,166	40,758	1,408
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	62,839		62,839	61,832	1,007
Cleaning, Repair and Maintenance Services	55,800		55,800	50,074	5,726
General Supplies	27,500		27,500	13,821	13,679
Total Undist. Expend. - Required Maint. for School Facilities	146,139		146,139	125,727	20,412
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries	529,360	(61,113)	468,247	442,495	25,752
Purchased Prof. And Tech. Services	3,500		3,500	2,488	1,012
Cleaning, Repair and Maintenance Services	267,300	(85,500)	181,800	122,905	58,895
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt.	160,000		160,000	149,949	10,051
Other Purchased Property Services	13,000	700	13,700	13,677	23
Miscellaneous Purchased Services	3,800	54,500	58,300	56,865	1,435
General Supplies	55,000	5,000	60,000	50,441	9,559
Energy (Gas)	18,500	53,485	71,985	54,156	17,829
Energy (Electricity)	178,407	1,751	180,158	159,773	20,385
Energy (Natural Gas)	75,352	(48,735)	26,617	25,441	1,176
Total Undist. Expend. - Other Oper. & Maint. Of Plant	1,304,219	(79,912)	1,224,307	1,078,190	146,117
Undist. Expend. - Security					
Salaries	156,638	(50,892)	105,746	92,450	13,296
Other Objects	400	469	869	869	
Total Undist. Expend. - Security	157,038	(50,423)	106,615	93,319	13,296
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet. Home & Sch.) - Regular	70,689	(54,342)	16,347	16,316	31
Salaries for Pupil Trans (Bet. Home & Sch.) - Sp Ed	84,180	116,380	200,560	191,418	9,142
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	20,000	(3,000)	17,000	136	16,864
Cleaning, Repair and Maintenance Services	14,458	8,200	22,658	22,082	576
Lease Purchase Payments - School Buses	20,000	41,800	61,800	55,640	6,160
Contract Services (Between Home & School)-Vendors	61,800	(49,800)	12,000		12,000
Contract Services (Sp. Ed. Students)-Vendors	55,000	(35,338)	19,662	13,548	6,114
Miscellaneous Purchased Services - Transportation	22,000	(15,162)	6,838	4,267	2,571
General Supplies	2,500	(1,500)	1,000	400	600
Total Undist. Expend. - Student Transportation Services	350,627	7,238	357,865	303,807	54,058
UNALLOCATED BENEFITS					
Social Security Contributions	160,000		160,000	109,118	50,882
T.P.A.F. Contributions - ERIP	84,950		84,950		84,950
Other Retirement Contributions-PERS	195,000	(2,216)	192,784	189,082	3,702
Unemployment Compensation	44,349	2,216	46,565	46,565	
Workmen's Compensation	128,473		128,473	107,330	21,143
Health Benefits	2,133,873	(155,028)	1,978,845	1,843,902	134,943
Other Employee Benefits	133,974		133,974	133,461	513
TOTAL UNALLOCATED BENEFITS	2,880,619	(155,028)	2,725,591	2,429,458	296,133
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				554,219	(554,219)
On-behalf TPAF Pension (non-budgeted)				325,683	(325,683)
On-behalf TPAF NCGI Premium (non-budgeted)				23,431	(23,431)
Reimbursed TPAF Social Security Contributions (non-budgeted)				521,112	(521,112)
TOTAL ON-BEHALF CONTRIBUTIONS				1,424,445	(1,424,445)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,880,619	(155,028)	2,725,591	3,853,903	(1,128,312)
TOTAL UNDISTRIBUTED EXPENDITURES	15,930,106	(276,066)	15,654,040	16,297,701	(643,661)
TOTAL GENERAL CURRENT EXPENSE	22,106,989		22,106,989	22,624,946	(517,957)

Exhibit C-1

**FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Assets Acquired Under Capital Leases (non-budgeted)					
Various Equipment				124,358	(124,358)
Total Assets Acquired Under Capital Leases (non-budgeted)				124,358	(124,358)
TOTAL CAPITAL OUTLAY				124,358	(124,358)
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	21,000		21,000	21,000	
Total Summer School - Instruction	21,000		21,000	21,000	
Total Post Secondary Programs	21,000		21,000	21,000	
TOTAL SPECIAL SCHOOLS	21,000		21,000	21,000	
TOTAL EXPENDITURES	22,127,989		22,127,989	22,770,304	(642,315)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(901,295)		(901,295)	285,800	1,187,095
Other Financing Sources/(Uses):					
Capital Leases (non-budgeted)				124,358	(124,358)
Operating Transfers Out:					
Transfer to Capital Projects	(153,481)	(1,081,219)	(1,234,700)	(1,234,700)	
Transfers to Cover Deficit (Enterprise Fund)	(14,738)		(14,738)	(10,044)	(4,694)
Total Other Financing Sources/(Uses):	(168,219)	(1,081,219)	(1,249,438)	(1,120,386)	(129,052)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,069,514)	(1,081,219)	(2,150,733)	(834,586)	1,316,147
Fund Balance, July 1	3,111,446		3,111,446	3,111,446	
Fund Balance, June 30	2,041,932	(1,081,219)	960,713	2,276,860	1,316,147
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(447,942)		(447,942)	(447,942)	
Increase in Capital Reserve:					
Principal				25,000	(25,000)
Increase in Tuition Reserve				400,000	(400,000)
Withdrawal from Tuition Reserve - for Tuition Adj.	(125,000)		(125,000)	(125,000)	
Withdrawal from Capital Reserve	(153,481)	(1,081,219)	(1,234,700)	(1,234,700)	
Budgeted Fund Balance	(343,091)		(343,091)	548,056	1,741,147
	(1,069,514)	(1,081,219)	(2,150,733)	(834,586)	1,316,147
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				145,633	
Excess Surplus - Designated for Subsequent Year's Expenditures				184,306	
Tuition Reserve - Designated for Subsequent Year's Budget				200,000	
Tuition Reserve				400,000	
Capital Reserve				42,300	
Assigned Fund Balance:					
Year-end Encumbrances				191,890	
Designated for Subsequent Year's Expenditures				509,107	
Unassigned Fund Balance				603,624	
Total Fund Balance per Governmental Funds (Budgetary)				2,276,860	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				696,845	
Total Fund Balance per Governmental Funds (GAAP)				1,580,015	

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		6,123	6,123	6,123	-
State Sources	298,802	55,928	354,730	342,651	12,079
Federal Sources	1,387,916	8,215	1,396,131	1,209,244	186,887
Total Revenues	1,686,718	70,266	1,756,984	1,558,018	198,966
EXPENDITURES:					
Instruction:					
Salaries of Teachers	753,235	(36,346)	716,889	712,813	4,076
Other Salaries for Instruction	12,000	-	12,000	12,000	-
Purchased Professional and Technical Services	148,730	41,474	190,204	178,939	11,265
Other Purchased Services (400-500 series)	329,845	(29,919)	299,926	299,926	-
General Supplies	40,077	(4,672)	35,405	27,842	7,563
Textbooks	15,029	2,905	17,934	17,930	4
Other Objects	5,000	(5,000)	-	-	-
Total instruction	1,303,916	(31,558)	1,272,358	1,249,450	22,908
Support services:					
Salaries of Supervisors of Instruction	6,000	-	6,000	6,000	-
Salaries of Program Directors	27,000	-	27,000	27,000	-
Salaries of Other Professional Staff	18,223	23,797	42,020	17,404	24,616
Salaries of Secretarial and Clerical Assistants	5,524	-	5,524	5,524	-
Other Salaries	14,891	19,930	34,821	17,344	17,477
Personal Services - Employee Benefits	162,097	14,788	176,885	62,201	114,684
Other Purchased Professional Services	129,252	20,200	149,452	134,013	15,439
Other Purchased Services (400-500 series)	4,439	7,201	11,640	5,505	6,135
Supplies & Materials	9,896	5,633	15,529	13,905	1,624
Total support services	377,322	91,549	468,871	293,491	175,380
Facilities acquisition and const. serv.:					
Instructional Equipment	5,480	10,275	15,755	15,077	678
Total facilities acquisition and const. serv.	5,480	10,275	15,755	15,077	678
Total Expenditures	1,686,718	70,266	1,756,984	1,558,018	198,966
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

FAIRVIEW BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2015

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	23,056,104	1,558,018
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			28,445
Current Year			(6,123)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		693,549	
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 (GASB 33).		(696,845)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	23,052,808	1,580,340
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	22,645,946	1,558,018
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Prior Year			28,445
Current Year			(6,123)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	22,645,946	1,580,340

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

FAIRVIEW BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - PERS
*Last 10 Fiscal Years**

	2015
Districts proportion of the net pension liability (asset)	0.0209452961%
District's proportionate share of the net pension liability (asset)	\$ 3,921,532
District's covered payroll - PERS	\$ 1,500,065
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	261.42%
Plan fiduciary net position as a percentage of the total pension liability	52.08%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

FAIRVIEW BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

	2015
Contractually required contribution	\$ 172,670.00
Contributions in relation to the contractually required contribution	\$ (172,670.00)
Contribution deficiency (excess)	\$ -
District's covered payroll - PERS	\$ 1,500,065
Contributions as a percentage of covered payroll	11.51%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

FAIRVIEW BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - TPAF
*Last 10 Fiscal Years**

	2015
Districts proportion of the net pension liability (asset)	0.0615708528%
District's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability Associated with the District (asset)	\$ 32,907,617
District's covered payroll - TPAF	\$ 7,238,331
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

FAIRVIEW BOARD OF EDUCATION
Note to Required Schedules of Supplementary Information - Part III
Fiscal Year Ended June 30, 2015

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

SPECIAL REVENUE FUND

FAIRVIEW BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1a)	NJSBSafety Grant	IDEA Part - B	IDEA Part - B Preschool	NCLB Title I	Title II, Part A Training & Recruiting	Totals 2015
REVENUES							
Local Sources	-	6,123					6,123
State Sources	342,651		377,254	7,919	718,879	55,036	342,651
Federal Sources	50,156						1,209,244
Total Revenues	392,807	6,123	377,254	7,919	718,879	55,036	1,558,018
EXPENDITURES:							
Instruction:							
Salaries of Teachers	71,265				641,548		712,813
Other Salaries for Instruction	12,000						12,000
Purchased Professional and Technical Services	178,939						178,939
Other Purchased Services (400-500 series)	-		292,007	7,919			299,926
General Supplies	17,251		3,360		7,231		27,842
Textbooks	17,930						17,930
Total instruction	297,385	-	295,367	7,919	648,779	-	1,249,450
Support services:							
Salaries of Supervisors of Instruction	6,000						6,000
Salaries of Program Directors	27,000						27,000
Salaries of Other Professional Staff	-		17,404				17,404
Salaries of Secretarial and Clerical Assistants	5,524						5,524
Other Salaries	-		17,344				17,344
Personal Services - Employee Benefits	10,412		2,612		49,177		62,201
Purchased Professional - Educational Services	4,595						4,595
Other Purchased Professional Services	28,550		43,527		11,000	50,936	134,013
Other Purchased Services (400-500 series)	405		1,000			4,100	5,505
Supplies & Materials	3,982				9,923		13,905
Total support services	86,468	-	81,887	-	70,100	55,036	293,491
Facilities acquisition and const. serv.:							
Instructional Equipment	8,954						15,077
Total facilities acquisition and const. serv.	8,954	-	-	-	-	-	15,077
Total Expenditures	392,807	6,123	377,254	7,919	718,879	55,036	1,558,018
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1b)	NCLB Title III	NCLB Title III Immigrant	Nonpublic Nursing	Nonpublic Technology	Chapter 194 Nonpublic Textbook	Total Carried Forward
REVENUES							
Local Sources	-						-
State Sources	287,217		(1,643)	28,550	8,954	17,930	342,651
Federal Sources	-	51,799					50,156
Total Revenues	287,217	51,799	(1,643)	28,550	8,954	17,930	392,807
EXPENDITURES:							
Instruction:							
Salaries of Teachers	44,985	26,280					71,265
Other Salaries for Instruction	12,000						12,000
Purchased Professional and Technical Services	178,939						178,939
Other Purchased Services (400-500 series)	-		(1,629)				-
General Supplies	4,368	14,512				17,930	17,251
Textbooks	-					17,930	17,930
Other Objects	-						-
Total instruction	240,292	40,792	(1,629)	-	-	17,930	297,385
Support services:							
Salaries of Supervisors of Instruction	6,000						6,000
Salaries of Program Directors	27,000						27,000
Salaries of Other Professional Staff	-						-
Salaries of Secretarial and Clerical Assistants	5,524						5,524
Other Salaries	-						-
Personal Services - Employee Benefits	8,401	2,011					10,412
Purchased Professional - Educational Services	-	4,595					4,595
Other Purchased Professional Services	-			28,550			28,550
Other Purchased Services (400-500 series)	-	405					405
Supplies & Materials	-	3,996	(14)				3,982
Total support services	46,925	11,007	(14)	28,550	-	-	86,468
Facilities acquisition and const. serv.:							
Instructional Equipment	-				8,954		8,954
Total facilities acquisition and const. serv.	-	-	-	-	8,954	-	8,954
Total Expenditures	287,217	51,799	(1,643)	28,550	8,954	17,930	392,807
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

FAIRVIEW BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2015

	Chapter 192 Compensatory Education	Chapter 192 ESL	Chapter 193 Supplemental Instruction	Chapter 193 Exam & Classification	Chapter 193 Corrective Speech	Preschool Education Aid	Total Carried Forward
REVENUES							
Local Sources	116,185	12,150	9,730	16,754	24,120	108,278	287,217
State Sources	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-
Total Revenues	116,185	12,150	9,730	16,754	24,120	108,278	287,217
EXPENDITURES:							
Instruction:							
Salaries of Teachers						44,985	44,985
Other Salaries for Instruction						12,000	12,000
Purchased Professional and Technical Services	116,185	12,150	9,730	16,754	24,120	-	178,939
Other Purchased Services (400-500 series)						4,368	-
General Supplies						-	4,368
Textbooks						-	-
Other Objects						-	-
Total instruction	116,185	12,150	9,730	16,754	24,120	61,353	240,292
Support services:							
Salaries of Supervisors of Instruction						6,000	6,000
Salaries of Program Directors						27,000	27,000
Salaries of Other Professional Staff						5,524	-
Salaries of Secretarial and Clerical Assistants						8,401	5,524
Other Salaries						-	-
Personal Services - Employee Benefits						-	8,401
Purchased Professional - Educational Services						-	-
Other Purchased Professional Services						-	-
Other Purchased Services (400-500 series)						-	-
Supplies & Materials						-	-
Total support services	-	-	-	-	-	46,925	46,925
Facilities acquisition and const. serv.:							
Instructional Equipment						-	-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-
Total Expenditures	116,185	12,150	9,730	16,754	24,120	108,278	287,217
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

**FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2015**

	District Wide Total		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of teachers	44,985	44,985	
Other salaries for instruction	12,000	12,000	
General supplies	4,500	4,368	132
	61,485	61,353	132
Total instruction	61,485	61,353	132
Support services:			
Salaries of Supervisors of Instruction	6,000	6,000	
Salaries of Program Directors	27,000	27,000	
Salaries of Secr. and Clerical Assistants	5,524	5,524	
Personal Services - Employee Benefits	8,401	8,401	
	46,925	46,925	
Total support services	46,925	46,925	
Total expenditures	108,410	108,278	132

Summary of Location Totals

Total revised 2014-15 Preschool Education Aid	108,410
Add: Actual Carryover (June 30, 2014)	
Add: Budgeted Transfer from the General Fund 2014-15	
Total Preschool Education Aid Funds Available for 2014-15 Budget	108,410
Less: 2013-14 Budgeted Preschool Education Aid prior year budgeted carryover)	108,410
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	
Add: June 30, 2015 Unexpended Preschool Education Aid	132
2014-15 Carryover - Preschool Education Aid/Preschool	132
	264
2014-15 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015-16	264

CAPITAL PROJECTS FUND

**FAIRVIEW BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2015**

Revenues and Other Financing Sources

State Sources - SCC Grant	213,958
Bond proceeds and transfers	-
Transfers from Capital Reserve	291,300
Transfers from Capital Outlay	943,400
	1,448,658

Expenditures and Other Financing Uses

Purchased professional and technical services	-
Land and improvements	-
Construction services	691,353
Equipment purchases	-
	691,353

Total expenditures	691,353
Excess (deficiency) of revenues over (under) expenditures	757,305
Net change in fund balance	757,305
Fund balance - beginning	-
Fund balance - ending	757,305

FAIRVIEW BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Lincoln School Bathroom Renovations
Fiscal Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Bond proceeds and transfers			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay		399,000	399,000	399,000
	-	399,000	399,000	399,000
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services			-	399,000
Equipment purchases			-	
	-	-	-	399,000
Excess (deficiency) of revenues over (under) expenditures	-	399,000	399,000	-
Additional project information:				
Project number	1470-060-15-1000			
Grant Date	4/28/2015			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	571,908			
Additional authorized cost	(172,908)			
Revised authorized cost	399,000			
Percentage increase over original authorized cost	(0.30)			
Percentage completion	0%			
Original target completion date	8/31/2015			
Revised target completion date				

**FAIRVIEW BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Lincoln School Window Replacement
Fiscal Year Ended June 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant		213,958	213,958	213,958
Bond proceeds and transfers			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay		544,400	544,400	544,400
	-	758,358	758,358	758,358
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services		444,163	444,163	758,358
Equipment purchases			-	
	-	444,163	444,163	758,358
Excess (deficiency) of revenues over (under) expenditures	-	314,195	314,195	-
Additional project information:				
Project number	1470-060-14-1001			
Grant Date	1/6/2014			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	367,439			
Additional authorized cost	390,919			
Revised authorized cost	758,358			
Percentage increase over original authorized cost	1.06			
Percentage completion	59%			
Original target completion date	8/31/2015			
Revised target completion date				

FAIRVIEW BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Lincoln School Roof Replacement
Fiscal Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Bond proceeds and transfers			-	
Transfers from Capital Reserve		291,300	291,300	291,300
Transfers from Capital Outlay			-	
	-	291,300	291,300	291,300
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services		247,190	247,190	291,300
Equipment purchases			-	
	-	247,190	247,190	291,300
Excess (deficiency) of revenues over (under) expenditures	-	44,110	44,110	-
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 authorization cost	291,300			
Additional authorized cost				
Revised authorized cost	291,300			
Percentage increase over original authorized cost	-			
Percentage completion	85%			
Original target completion date	8/31/2015			
Revised target completion date				

FAIRVIEW BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2015

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2015
			Prior Years	Current Year	
Lincoln School Bathroom Renovations	2014-2015	399,000			399,000
Lincoln School Window Replacement	2014-2015	758,358		444,163	314,195
Lincoln School Roof Replacement	2014-2015	291,300		247,190	44,110
		<u>1,448,658</u>	<u>-</u>	<u>691,353</u>	<u>757,305</u>

PROPRIETARY FUNDS

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2015

	<u>Food Service Program</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and cash equivalents	28,413	28,413
Interfund receivable	353	
Accounts receivable:		
State	652	652
Federal	29,461	29,461
Total current assets	<u>58,879</u>	<u>58,526</u>
Noncurrent assets:		
Capital assets:		
Equipment	63,070	63,070
Less accumulated depreciation	<u>(49,688)</u>	<u>(49,688)</u>
Total capital assets (net of accumulated depreciation)	<u>13,382</u>	<u>13,382</u>
Total assets	<u>72,261</u>	<u>71,908</u>
 NET POSITION		
Net Investment in Capital Assets	13,382	13,382
Unrestricted	<u>58,879</u>	<u>58,879</u>
Total net position	<u>72,261</u>	<u>72,261</u>

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2015

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales	10,005	10,005
Total operating revenues	10,005	10,005
Operating expenses:		
Cost of food	325,538	325,538
Depreciation	4,132	4,132
Total Operating Expenses	329,670	329,670
Operating income (loss)	(319,665)	(319,665)
Nonoperating revenues (expenses):		
State sources:		
School lunch program	5,365	5,365
Federal sources:		
School lunch program	278,178	278,178
School breakfast program	33,547	33,547
Interest Income	43	43
Total nonoperating revenues (expenses)	317,133	317,133
Income (loss) before contributions & transfers	(2,532)	(2,532)
Other financing sources/(uses):		
Transfer In	10,044	10,044
Change in net position	7,512	7,512
Total net position—beginning	64,749	64,749
Total net position—ending	72,261	72,261

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2015

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	10,005	10,005
Payments to suppliers	(325,538)	(325,538)
Net cash provided by (used for) operating activities	(315,533)	(315,533)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	5,380	5,380
Federal Sources	320,676	320,676
Transfer In	10,044	10,044
Net cash provided by (used for) non-capital financing activities	336,100	336,100
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	43	43
Net cash provided by (used for) investing activities	43	43
Net increase (decrease) in cash and cash equivalents	20,610	20,610
Balances—beginning of year	7,803	7,803
Balances—end of year	28,413	28,413
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(319,665)	(319,665)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	4,132	4,132
Total adjustments	4,132	4,132
Net cash provided by (used for) operating activities	(315,533)	(315,533)

FIDUCIARY FUND

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	275,122
Total assets	<u>275,122</u>
LIABILITIES	
Payable to student groups	17,725
Payroll deductions and withholdings	255,462
Region VI Fund	<u>1,935</u>
Total liabilities	<u><u>275,122</u></u>

**FAIRVIEW BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2015</u>
Elementary Schools:				
Lincoln School	<u>21,341</u>	<u>48,264</u>	<u>51,880</u>	<u>17,725</u>
Total Elementary Schools	<u>21,341</u>	<u>48,264</u>	<u>51,880</u>	<u>17,725</u>
Total All Schools	<u><u>21,341</u></u>	<u><u>48,264</u></u>	<u><u>51,880</u></u>	<u><u>17,725</u></u>

**FAIRVIEW BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2015</u>
Net Payroll	135,979	9,765,709	9,737,471	164,217
Payroll Deductions and Withholdings	166,016	5,460,079	5,534,850	91,245
	<u>301,995</u>	<u>15,225,788</u>	<u>15,272,321</u>	<u>255,462</u>

**FAIRVIEW BOARD OF EDUCATION
Region VI Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Balance June 30, 2015</u>
Region VI Fund	<u>2</u>	<u>1,933</u>	<u>1,935</u>
Total Region VI Fund	<u><u>2</u></u>	<u><u>1,933</u></u>	<u><u>1,935</u></u>

LONG-TERM DEBT

FAIRVIEW BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases Payable
Fiscal Year Ended June 30, 2015

Issue	Date of Lease	Amount of Lease	Principal Payment		Interest Rate	Issued	Retired	Balance, June 30, 2015
			Date	Amount				
100 Apple iPads & Accessories	9/10/2014	53,305	7/15/2015	1,347	11.4%	\$ 53,305	10,330	42,975
			8/15/2015	1,360	11.4%			
			9/15/2015	1,373	11.4%			
			10/15/2015	1,386	11.4%			
			11/15/2015	1,399	11.4%			
			12/15/2015	1,412	11.4%			
			1/15/2016	1,425	11.4%			
			2/15/2016	1,439	11.4%			
			3/15/2016	1,453	11.4%			
			4/15/2016	1,467	11.4%			
			5/15/2016	1,480	11.4%			
			6/15/2016	1,495	11.4%			
			7/15/2016	1,509	11.4%			
			8/15/2016	1,523	11.4%			
			9/15/2016	1,538	11.4%			
			10/15/2016	1,552	11.4%			
			11/15/2016	1,567	11.4%			
		12/15/2016	1,582	11.4%				
		1/15/2017	1,597	11.4%				
		2/15/2017	1,612	11.4%				
		3/15/2017	1,627	11.4%				
		4/15/2017	1,643	11.4%				
		5/15/2017	1,658	11.4%				
		6/15/2017	1,674	11.4%				
		7/15/2017	1,690	11.4%				
		8/15/2017	1,706	11.4%				
		9/15/2017	1,722	11.4%				
		10/15/2017	1,739	11.4%				

FAIRVIEW BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases Payable
Fiscal Year Ended June 30, 2015

Issue	Date of Lease	Amount of Lease	Principal Payment		Interest Rate	Issued	Retired	Balance, June 30, 2015
			Date	Amount				
40 Apple iPads & Accessories	11/24/2014	22,783	7/15/2015	566	10.42%	22,783	2,756	20,027
			8/15/2015	571	10.42%			
			9/15/2015	576	10.42%			
			10/15/2015	581	10.42%			
			11/15/2015	586	10.42%			
			12/15/2015	591	10.42%			
			1/15/2016	596	10.42%			
			2/15/2016	601	10.42%			
			3/15/2016	606	10.42%			
			4/15/2016	611	10.42%			
			5/15/2016	617	10.42%			
			6/15/2016	622	10.42%			
			7/15/2016	628	10.42%			
			8/15/2016	633	10.42%			
			9/15/2016	639	10.42%			
		10/15/2016	644	10.42%				
		11/15/2016	650	10.42%				
		12/15/2016	655	10.42%				
		1/15/2017	661	10.42%				
		2/15/2017	667	10.42%				
		3/15/2017	673	10.42%				
		4/15/2017	678	10.42%				
		5/15/2017	684	10.42%				
		6/15/2017	690	10.42%				
		7/15/2017	696	10.42%				
		8/15/2017	702	10.42%				
		9/15/2017	708	10.42%				
		10/15/2017	714	10.42%				
		11/15/2017	721	10.42%				
		12/15/2017	727	10.42%				
		1/15/2018	733	10.42%				

FAIRVIEW BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases Payable
Fiscal Year Ended June 30, 2015

Issue	Date of Lease	Amount of Lease	Principal Payment		Interest Rate	Issued	Retired	Balance, June 30, 2015
			Date	Amount				
iPad Accessories	12/19/2014	37,008	7/15/2015	920	9.64%	37,008	3,606	33,402
			8/15/2015	927	9.64%			
			9/15/2015	934	9.64%			
			10/15/2015	942	9.64%			
			11/15/2015	950	9.64%			
			12/15/2015	957	9.64%			
			1/15/2016	965	9.64%			
			2/15/2016	973	9.64%			
			3/15/2016	980	9.64%			
			4/15/2016	988	9.64%			
			5/15/2016	996	9.64%			
			6/15/2016	1,004	9.64%			
			7/15/2016	1,012	9.64%			
			8/15/2016	1,020	9.64%			
			9/15/2016	1,029	9.64%			
			10/15/2016	1,037	9.64%			
			11/15/2016	1,045	9.64%			
			12/15/2016	1,054	9.64%			
			1/15/2017	1,062	9.64%			
			2/15/2017	1,071	9.64%			
		3/15/2017	1,079	9.64%				
		4/15/2017	1,088	9.64%				
		5/15/2017	1,097	9.64%				
		6/15/2017	1,105	9.64%				
		7/15/2017	1,114	9.64%				
		8/15/2017	1,123	9.64%				
		9/15/2017	1,132	9.64%				
		10/15/2017	1,141	9.64%				
		11/15/2017	1,150	9.64%				
		12/15/2017	1,160	9.64%				
		1/15/2018	1,169	9.64%				
		2/15/2018	1,178	9.64%				

FAIRVIEW BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases Payable
Fiscal Year Ended June 30, 2015

Issue	Date of Lease	Amount of Lease	Principal Payment		Interest Rate	Issued	Retired	Balance, June 30, 2015
			Date	Amount				
iPad Accessories	1/23/2015	11,262	7/1/2015	272	11.24%	11,262	800	10,462
			8/1/2015	275	11.24%			
			9/1/2015	277	11.24%			
			10/1/2015	280	11.24%			
			11/1/2015	282	11.24%			
			12/1/2015	285	11.24%			
			1/1/2016	288	11.24%			
			2/1/2016	290	11.24%			
			3/1/2016	293	11.24%			
			4/1/2016	296	11.24%			
			5/1/2016	299	11.24%			
			6/1/2016	301	11.24%			
			7/1/2016	304	11.24%			
			8/1/2016	307	11.24%			
			9/1/2016	310	11.24%			
			10/1/2016	313	11.24%			
			11/1/2016	316	11.24%			
			12/1/2016	319	11.24%			
			1/1/2017	322	11.24%			
			2/1/2017	325	11.24%			
			3/1/2017	328	11.24%			
			4/1/2017	331	11.24%			
			5/1/2017	334	11.24%			
			6/1/2017	337	11.24%			
			7/1/2017	340	11.24%			
			8/1/2017	343	11.24%			
		9/1/2017	347	11.24%				
		10/1/2017	350	11.24%				
		11/1/2017	353	11.24%				
		12/1/2017	356	11.24%				
		1/1/2018	360	11.24%				
		2/1/2018	363	11.24%				
		3/1/2018	366	11.24%				
						\$ 124,358	17,492	106,866

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	84,948		84,948	84,948	
Total Local Sources	84,948	-	84,948	84,948	-
Total Revenues	84,948	-	84,948	84,948	-
EXPENDITURES:					
Regular Debt Service:					
Interest - Pension Refunding Bonds	14,950		14,950	14,950	-
Redemption of Principal - Pension Refunding Bonds	70,000		70,000	70,000	-
Total Regular Debt Service	84,950		84,950	84,950	-
Total expenditures	84,950	-	84,950	84,950	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2)	-	(2)	(2)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(2)		(2)	(2)	-
Fund Balance, July 1	2		2	3	1
Fund Balance, June 30	-		-	1	1
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(2)		(2)	(2)	-
Total	(2)	-	(2)	(2)	-

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

Fairview Board of Education
Net Assets/Position* by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities							Restated			
Net investment in capital assets	\$ 4,129,379	\$ 4,049,055	\$ 3,942,345	\$ 3,968,393	\$ 3,910,325	\$ 3,979,449	\$ 4,162,814	\$ 3,629,574	\$ 3,727,754	\$ 4,278,874
Restricted	750,002	650,002	670,002	420,001	520,001	520,003	1,072,003	1,547,555	2,567,177	2,430,542
Unrestricted	(732,944)	(895,136)	(1,058,814)	(1,531,910)	(1,741,474)	(1,333,196)	(740,638)	(416,505)	(685,892)	(4,226,336)
Total governmental activities net assets/position	\$ 4,146,437	\$ 3,803,921	\$ 3,553,533	\$ 2,856,484	\$ 2,688,852	\$ 3,166,256	\$ 4,494,179	\$ 4,760,624	\$ 5,609,039	\$ 2,483,080
Business-type activities										
Net investment in capital assets	\$ 3,087	\$ 2,646	\$ 2,205	\$ 1,764	\$ 5,699	\$ 4,869	\$ 4,039	\$ 21,719	\$ 17,514	\$ 13,382
Restricted	43,449	40,229	38,860	13,974	4,828	11,809	25,851	32,370	47,235	58,879
Unrestricted	\$ 46,536	\$ 42,875	\$ 41,065	\$ 15,738	\$ 10,527	\$ 16,678	\$ 29,890	\$ 54,089	\$ 64,749	\$ 72,261
Total business-type activities net assets/position										
District-wide										
Net investment in capital assets	\$ 4,132,466	\$ 4,051,701	\$ 3,944,550	\$ 3,970,157	\$ 3,916,024	\$ 3,984,318	\$ 4,166,853	\$ 3,651,293	\$ 3,745,268	\$ 4,292,256
Restricted	750,002	650,002	670,002	420,001	520,001	520,003	1,072,003	1,547,555	2,567,177	2,430,542
Unrestricted	(689,495)	(854,907)	(1,019,954)	(1,517,936)	(1,736,646)	(1,321,387)	(714,787)	(384,135)	(638,657)	(4,167,457)
Total district net assets/position	\$ 4,192,973	\$ 3,846,796	\$ 3,594,598	\$ 2,872,222	\$ 2,699,379	\$ 3,182,934	\$ 4,524,069	\$ 4,814,713	\$ 5,673,788	\$ 2,555,341

Source: CAFR Schedule A-1

* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2014 which changed Net Assets to Net Position.

Fairview Board of Education
 Changes in Net Assets/Position*, Last Ten Fiscal Years
 (accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 8,950,662	\$ 9,719,972	\$ 9,626,439	\$ 10,738,221	\$ 10,743,019	\$ 10,761,698	\$ 3,782,768	\$ 4,420,441	\$ 4,624,714	\$ 5,851,323
Special education	2,864,393	3,511,497	3,746,516	3,542,767	4,011,801	4,016,907	2,236,828	2,304,755	2,975,019	3,177,747
Other special education	838,432	909,259	842,326	1,090,300	916,763	961,057	814,909	823,416	1,000,664	903,934
Other instruction	40,651	41,988	49,326	50,781	49,329	47,425	41,813	41,975	40,468	55,423
Support Services:										
Tuition							7,731,156	8,369,482	7,212,821	7,632,695
Student & instruction related services	1,501,495	1,367,511	1,664,902	1,654,223	1,956,145	1,899,435	1,800,445	1,873,252	2,031,343	2,220,215
General administrative services	698,363	712,091	650,565	827,734	725,122	511,182	710,932	720,155	711,639	892,615
School administrative services	392,164	443,054	353,492	639,492	698,908	692,238	558,411	619,650	650,907	738,929
Central Administration	456,995	476,990	444,852	560,421	597,415	554,815	520,651	545,108	608,662	740,156
Plant operations and maintenance	1,728,644	1,908,092	1,987,125	2,003,792	1,908,765	1,563,608	1,241,884	1,545,544	1,492,204	1,557,489
Pupil transportation	319,329	305,124	348,583	262,222	233,296	234,660	186,349	218,119	365,833	394,459
Unallocated Benefits							1,061,662	1,008,799	1,267,932	1,488,287
Special Schools							21,000	21,000	21,000	21,000
Charter Schools							11,981	12,164		
Interest on long-term debt	121,146	111,035	100,419	88,595	73,251	61,444	46,099	27,540	21,128	15,561
Unallocated depreciation							366,131	412,071	322,405	245,381
Amortization & Capital Lease Obligations							2,000	2,333	2,333	2,333
Capital Outlay - nondepreciable								12,109	5,480	
Total governmental activities expenses	17,912,274	19,506,613	19,814,545	21,458,548	21,913,814	21,304,469	21,135,019	22,977,913	23,354,552	25,937,547
Business-type activities:										
Food service	213,851	235,645	265,350	304,344	348,674	353,781	365,909	368,995	389,471	329,670
Total business-type activities expense	213,851	235,645	265,350	304,344	348,674	353,781	365,909	368,995	389,471	329,670
Total district expenses	\$ 18,126,125	\$ 19,742,258	\$ 20,079,895	\$ 21,762,892	\$ 22,262,488	\$ 21,658,250	\$ 21,500,928	\$ 23,346,908	\$ 23,744,023	\$ 26,267,217
Program Revenues										
Governmental activities:										
Charges for services:										
Operating grants and contributions	3,760,187	4,244,906	4,257,549	3,567,200	5,293,020	4,031,694	1,584,694	1,555,356	1,733,921	1,571,386
Total governmental activities program revenues	3,760,187	4,244,906	4,257,549	3,567,200	5,317,320	4,042,814	1,584,694	1,555,356	1,733,921	1,571,386

Fairview Board of Education
Changes in Net Assets/Position*, Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Food service	39,309	35,696	30,020	30,389	29,370	41,095	42,373	32,968	31,041	10,005
Operating grants and contributions	168,672	191,820	231,878	245,642	302,184	311,107	334,173	333,015	362,183	317,090
Total business-type activities program revenues	207,981	227,516	261,898	276,031	331,554	356,869	376,546	365,983	393,224	327,095
Total district program revenues	\$ 3,968,168	\$ 4,472,422	\$ 4,519,447	\$ 3,843,231	\$ 5,648,874	\$ 4,399,683	\$ 1,961,240	\$ 1,921,339	\$ 2,127,145	\$ 1,898,481
Net (Expense)/Revenue										
Governmental activities	\$ (14,152,087)	\$ (15,261,707)	\$ (15,556,996)	\$ (17,891,348)	\$ (16,596,494)	\$ (17,261,655)	\$ (19,550,325)	\$ (21,422,557)	\$ (21,620,631)	\$ (24,366,161)
Business-type activities	(5,870)	(8,129)	(3,452)	(28,313)	(17,120,000)	3,088,000	10,637,000	(3,012,000)	3,753	(2,575)
Total district-wide net expense	\$ (14,157,957)	\$ (15,269,836)	\$ (15,560,448)	\$ (17,919,661)	\$ (16,613,614)	\$ (17,258,567)	\$ (19,539,688)	\$ (21,422,569)	\$ (21,616,878)	\$ (24,368,736)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 10,312,313	\$ 11,056,569	\$ 11,256,133	\$ 11,529,956	\$ 11,426,385	\$ 12,012,159	\$ 12,333,147	\$ 12,579,810	\$ 13,184,444	\$ 13,448,133
Taxes levied for debt service	298,641	276,896	272,836	273,661	269,118	277,887	273,016	273,133	272,945	84,948
Unrestricted grants and contributions	3,304,111	3,312,408	3,655,372	5,234,805	4,637,819	5,376,912	7,966,089	8,744,802	8,861,509	10,658,316
Tuition from Summer School									13,050	10,530
Investment earnings	119,155	140,980	65,157	15,696	9,434	6,719	6,161	5,602	3,457	2,955
Miscellaneous income	76,037	77,608	1,109	86,028	36,770	25,469	15,215	32,087	86,618	354,499
State Aid- Restricted for Debt Service	34,775	58,155	57,643	57,139	56,578	47,643	47,191	46,770	46,342	
State Aid - Capital Outlay Facilities Grant										213,958
Loss on Sale of Capital Asset	(7,325)									
Transfers		(3,424)	(1,642)	(2,986)	(7,242)	(7,730)	(2,575)	(5,311)	(4,799)	(10,044)
Federal and State Aid - Capital outlay							28,556	12,109	5,480	8,954
Total governmental activities	14,137,707	14,919,192	15,306,608	17,194,299	16,428,862	17,739,059	20,638,244	21,689,002	22,469,046	24,772,249
Business-type activities:										
Investment earnings	1,692	1,044							49	43
Miscellaneous Income			1,642	2,986	7,242	7,730	2,575	5,311	2,059	
Transfers		3,424	1,642	2,986	7,242	7,730	2,575	5,311	4,799	10,044
Total business-type activities	1,692	4,468	1,642	2,986	7,242	7,730	2,575	5,326	6,907	10,087
Total district-wide	\$ 14,139,399	\$ 14,923,660	\$ 15,308,250	\$ 17,197,285	\$ 16,436,104	\$ 17,746,789	\$ 20,640,819	\$ 21,694,328	\$ 22,475,953	\$ 24,782,336
Change in Net Assets/Position										
Governmental activities	\$ (14,380)	\$ (342,515)	\$ (250,388)	\$ (697,049)	\$ (167,632)	\$ 477,404	\$ 1,087,919	\$ 266,445	\$ 848,415	\$ 406,088
Business-type activities	(4,178)	(3,661)	(1,810)	(25,327)	(9,878)	10,818	13,212	2,314	10,660	7,512
Total district	\$ (18,558)	\$ (346,176)	\$ (252,198)	\$ (722,376)	\$ (177,510)	\$ 488,222	\$ 1,101,131	\$ 268,759	\$ 859,075	\$ 413,600

Source: CAFR Schedule A-2

* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2014 which changed Net Assets to Net Position.

Fairview Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,247,370	\$ 987,928	\$ 989,867	\$ 688,754	\$ 576,800					
Unreserved	372,481	329,653	192,460	(309,537)	(290,936)	520,000	1,072,000	1,361,306	1,960,447	972,239
Restricted						102,552	189,374			
Committed						278,258	574,229	362,875	606,727	700,997
Assigned						(356,340)	(207,159)	(67,833)	(149,277)	(93,221)
Unassigned						544,470	1,628,444	1,656,348	2,417,897	1,580,015
Total general fund	\$ 1,619,851	\$ 1,317,581	\$ 1,182,327	\$ 379,217	\$ 285,864	\$ 544,470	\$ 1,628,444	\$ 1,656,348	\$ 2,417,897	\$ 1,580,015
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund	2	(11,346)	(41,166)	(9,489)	(10,087)					
Assigned, reported in:										
Capital projects fund										757,305
Debt service fund										1
Total all other governmental funds	\$ 2	\$ (11,346)	\$ (41,166)	\$ (9,489)	\$ (10,087)	\$ -	\$ -	\$ 5	\$ 3	\$ 757,306

Source: CAFR Schedule B-1

Fairview Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 10,610,954	\$ 11,333,465	\$ 11,528,969	\$ 11,803,617	\$ 11,695,503	\$ 12,290,046	\$ 12,606,163	\$ 12,852,943	\$ 13,457,389	\$ 13,533,081
Tuition from Summer School									13,050	10,530
Interest earnings	119,155	140,980	65,157	15,696	9,434	6,719	6,161	5,602	3,457	2,955
Miscellaneous	78,537	77,608	1,109	86,028	67,162	36,589	33,528	32,087	86,618	359,499
State sources	6,092,626	6,547,396	7,109,565	7,552,543	7,231,564	7,528,188	8,029,646	9,020,976	9,089,121	9,753,053
Federal sources	1,003,947	1,068,073	860,999	1,306,601	2,749,761	1,928,061	1,578,571	1,338,061	1,558,131	1,274,579
Total revenue	17,905,219	19,167,522	19,565,799	20,764,485	21,753,424	21,789,603	22,254,069	23,249,669	24,207,766	24,933,697
Expenditures										
Instruction										
Regular Instruction	8,883,682	9,729,417	9,604,049	10,732,988	10,713,900	10,805,710	3,094,277	3,670,685	3,855,384	4,310,407
Special education instruction	2,856,582	3,514,955	3,739,742	3,542,211	4,003,314	4,021,590	1,978,014	2,035,331	2,656,458	2,596,871
Other special instruction	831,926	912,079	837,992	1,089,761	910,491	973,109	651,286	658,033	801,680	630,001
Other instruction	40,399	42,093	49,090	50,759	49,003	47,425	33,687	34,064	33,203	41,045
Support Services:										
Instruction	1,492,459	1,368,940	1,659,846	1,653,736	1,948,400	1,912,209	7,731,156	8,369,482	7,212,821	7,632,695
Attendance and social work services							130,881	142,313	201,270	192,213
Health Services							223,789	218,213	216,225	231,111
Student & instruction related services							1,251,592	1,298,104	1,347,301	1,326,671
General administrative services	691,738	709,610	646,473	825,419	695,092	697,113	629,989	636,641	641,438	734,970
School Administrative services	381,048	436,564	339,821	628,070	710,798	509,861	446,274	494,878	520,984	514,540
Central administrative services	453,121	478,608	442,361	560,144	593,357	561,680	421,074	441,037	492,169	530,862
Plant operations and maintenance	1,427,339	1,595,277	1,698,325	1,714,479	1,595,386	1,289,053	1,135,263	1,402,051	1,390,071	1,297,236
Pupil transportation	291,373	275,835	314,940	223,467	204,559	209,905	186,070	217,134	364,070	303,807
Unallocated employee benefits							1,712,794	1,863,931	2,108,818	2,429,458
TPAF Pension / Social Security							1,072,598	1,344,444	1,253,759	1,424,445
Summer School Instruction							21,000	21,000	21,000	21,000
Charter Schools							11,981	12,164		
Capital outlay	103,874	51,126	54,214	150,316	65,825	145,216	104,881	12,109	5,480	824,665
Debt service:										
Principal	275,520	293,022	285,760	315,500	272,731	285,091	290,893	296,478	295,300	70,000
Interest and other charges	122,005	113,521	102,176	91,820	77,276	65,303	52,061	38,273	23,989	14,950
Total expenditures	17,851,066	19,521,047	19,774,789	21,578,670	21,840,132	21,523,265	21,179,560	23,206,365	23,441,420	25,126,947
Excess (Deficiency) of revenues over (under) expenditures	54,153	(353,525)	(208,990)	(814,185)	(86,708)	266,338	1,074,509	43,304	766,346	(193,250)

Fairview Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing sources (uses)										
Capital leases (non-budgeted)	90,250	43,332	45,558	45,738			12,040			124,358
Transfers in										1,234,700
Transfers out		(3,424)	(1,642)	(2,986)	(7,242)	(7,730)	(2,575)	(5,311)	(4,799)	(1,244,744)
Total other financing sources (uses)	90,250	39,908	43,916	42,752	(7,242)	(7,730)	9,465	(5,311)	(4,799)	114,314
Net change in fund balances	\$ 144,403	\$ (313,617)	\$ (165,074)	\$ (771,433)	\$ (93,950)	\$ 258,608	\$ 1,083,974	\$ 37,993	\$ 761,547	\$ (78,936)
Debt service as a percentage of noncapital expenditures	2.2%	2.1%	2.0%	1.9%	1.6%	1.6%	1.6%	1.4%	1.4%	0.3%

NOTE: Capital Projects Fund is not included as these expenditures vary substantially from year to year. The financial data presented would not be as meaningful for comparative purposes if these were included.

Source: CAFR Schedule B-2 and C-2

Exhibit J-5

**Fairview Board of Education
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Interest on Investments	Reimb./ Refunds	E-Rate	Transportation		Cancellations	Misc.	Total
				Fees				
2006	119,155					59,755	16,282	195,192
2007	140,980					54,514	23,094	218,588
2008	65,157					318	791	66,266
2009	15,696		20,529			7,227	58,272	101,724
2010	9,434	16,334	19,856	24,300			6,942	76,866
2011	6,719	5,516	19,450	11,120			503	43,308
2012	6,161	15,215						21,376
2013	5,602	1,346	19,756				3,732	30,436
2014	3,457	60,706	18,890				7,022	90,075
2015	2,955	262,332				65,576	37,121	367,984

Source: District Records

Fairview Board of Education
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Year Ended Dec. 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
2005	\$ 7,040,600	\$ 376,778,600			\$ 113,726,000	\$ 46,166,300	\$ 67,939,700	\$ 611,651,200	\$ -	\$ 454,273	\$ 612,105,473	1.690	\$ 970,227,440	63.09%
2006	\$ 7,870,000	\$ 382,556,300			\$ 111,963,200	\$ 46,232,700	\$ 67,644,000	\$ 616,266,200	\$ -	\$ 384,752	\$ 616,650,952	1.780	\$ 1,108,539,690	55.63%
2007	\$ 6,899,600	\$ 388,905,900			\$ 111,008,700	\$ 45,829,800	\$ 66,930,500	\$ 619,574,500	\$ -	\$ 348,389	\$ 619,922,889	1.840	\$ 1,266,224,921	48.96%
2008	\$ 6,654,300	\$ 393,768,000			\$ 109,705,800	\$ 45,055,600	\$ 66,781,400	\$ 621,965,100	\$ -	\$ 349,378	\$ 622,314,478	1.875	\$ 1,318,965,021	47.18%
2009	\$ 5,940,900	\$ 396,883,300			\$ 106,924,200	\$ 44,976,400	\$ 67,409,000	\$ 622,133,800	\$ -	\$ 283,211	\$ 622,417,011	1.891	\$ 1,579,989,302	39.39%
2010	\$ 6,373,400	\$ 398,459,400			\$ 105,728,800	\$ 45,218,600	\$ 67,028,400	\$ 622,808,600	\$ -	\$ 304,346	\$ 623,112,946	1.925	\$ 1,317,581,419	47.29%
2011	\$ 11,002,500	\$ 634,853,000			\$ 200,425,300	\$ 82,911,900	\$ 126,722,100	\$ 1,055,914,800	\$ -	\$ 1,296,913	\$ 1,057,211,713	1.177	\$ 1,198,088,239	88.24%
2012	\$ 11,002,500	\$ 634,545,200			\$ 195,548,000	\$ 80,515,400	\$ 124,204,300	\$ 1,045,815,400	\$ -	\$ 1,197,875	\$ 1,047,013,275	1.216	\$ 1,155,691,027	90.60%
2013	\$ 9,007,600	\$ 638,695,300			\$ 192,631,000	\$ 76,279,100	\$ 127,430,000	\$ 1,044,043,000	\$ -	\$ 1,251,760	\$ 1,045,294,760	1.264	\$ 1,089,563,815	95.94%
2014	\$ 9,007,600	\$ 638,695,300			\$ 192,631,000	\$ 76,279,100	\$ 127,430,000	\$ 1,044,043,000	\$ -	\$ 1,297,940	\$ 1,045,340,940	1.295	\$ 1,111,156,875	94.08%

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

Exhibit J-7

Fairview Board of Education
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year Ended Dec. 31,	Fairview Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b		Borough of Fairview	Bergen County	
		Total Direct				
2005	1.690			1.430	0.310	3.430
2006	1.780			1.530	0.330	3.640
2007	1.843			1.600	0.360	3.803
2008	1.875			1.689	0.392	3.956
2009	1.891			1.773	0.486	4.150
2010	1.925			1.857	0.458	4.240
2011	1.150	0.263		1.158	0.232	2.803
2012	1.100	0.026		1.229	0.239	2.594
2013	1.238	0.026		1.265	0.252	2.781
2014	1.269	0.026		1.329	0.245	2.869

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, which ever is greater, plus any pending growth adjustments.

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

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

**Fairview Board of Education
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Fairview Associates 94, L.P.	\$ 17,800,500	1	1.70%	\$ 7,500,000	2	1.22%
Fairview Industrial Park Inc	\$ 14,000,000	2	1.34%	\$ 10,600,000	1	1.72%
HLF Passaic 2005 LLC	\$ 11,829,700	4	1.13%			
Ronald Realty Co LLC	\$ 12,713,500	3	1.22%	\$ 6,520,000	5	1.06%
Fairview Bergen Property LLC	\$ 7,117,900	5	0.68%			
Koustas Realty				\$ 3,582,000	7	0.58%
Acquipt/Amsdsell				\$ 3,041,300	10	0.49%
Babaci, LLC	\$ 5,475,600	8	0.52%			
Vail Development, LLC				\$ 3,231,600	9	0.52%
New Age Ventures, Inc				\$ 3,548,700	8	0.58%
Waste Management of NJ	\$ 6,000,000	7		\$ 5,896,300	6	0.96%
Bonanno Real Estate Group II	\$ 7,100,000	6	0.68%	\$ 67,122,000	4	10.88%
Bonanno Real Estate Group I	\$ 4,846,200	9	0.46%			
Passaic 85 Associates				\$ 7,022,500	3	1.14%
Sheridan Realty Company	\$ 4,840,800	10	0.46%			
Total	\$ 91,724,200		8.20%	\$ 118,064,400		19.15%

Net Assessed Valuation: \$ 1,045,340,940 \$ 616,650,952

Source: Municipal Tax Assessor.

Exhibit J-9

**Fairview Board of Education
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$10,610,954	\$10,610,954	100.00%	\$ -
2007	\$11,333,465	\$11,333,465	100.00%	\$ -
2008	\$11,528,969	\$11,528,969	100.00%	\$ -
2009	\$11,803,617	\$11,803,617	100.00%	\$ -
2010	\$11,695,503	\$11,695,503	100.00%	\$ -
2011	\$12,290,046	\$11,765,876	95.74%	\$ 524,170
2012	\$12,606,163	\$11,555,649	91.67%	\$ 1,050,514
2013	\$12,852,943	\$11,781,864	91.67%	\$ 1,071,079
2014	\$13,457,389	\$12,335,940	91.67%	\$ 1,121,449
2015	\$13,533,081	\$12,405,324	91.67%	\$ 1,127,757

Source: Municipal Tax Collector

**Fairview Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds/Loans ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2006	2,359,244	-	171,719	-	-	2,530,963	2.49%	\$ 63,103
2007	2,132,122	-	105,819	-	-	2,237,941	3.02%	\$ 67,544
2008	1,899,124	-	98,615	-	-	1,997,739	3.37%	\$ 67,331
2009	1,654,902	-	73,075	-	-	1,727,977	3.70%	\$ 63,874
2010	1,404,361	-	50,885	-	-	1,455,246	4.39%	\$ 63,885
2011	1,142,014	-	28,141	-	-	1,170,155	5.75%	\$ 67,248
2012	872,509	-	18,793	-	-	891,302	7.77%	\$ 69,281
2013	590,300	-	4,524	-	-	594,824	11.68%	\$ 69,495
2014	295,000	-	-	-	-	295,000	Not Available	Not Available
2015	225,000	-	106,866	-	-	331,866	Not Available	Not Available

Source: District CAFR Schedules I-1, I-2

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

Fairview Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 2,359,244	720,000	1,639,244	0.26%	\$ 26
2007	\$ 2,132,122	675,000	1,457,122	0.23%	\$ 22
2008	\$ 1,899,124	630,000	1,269,124	0.20%	\$ 19
2009	\$ 1,654,902	580,000	1,074,902	0.17%	\$ 17
2010	\$ 1,404,361	530,000	874,361	0.08%	\$ 14
2011	\$ 1,142,014	475,000	667,014	0.06%	\$ 10
2012	\$ 872,509	420,000	452,509	0.04%	\$ 7
2013	\$ 590,300	360,000	230,300	0.02%	\$ 3
2014	\$ 295,000	295,000	-	0.00%	Not Available
2015	\$ 225,000	225,000	-	Not Available	Not Available

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

**Fairview Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2014**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2015			
Net overlapping debt of School District:			
Borough of Fairview	100.000%	\$ 22,350,282	
County of Bergen - City's Share	0.685%	\$ 5,915,719	
Bergen County Utility Authority-City's Share	2.163%	\$ 4,671,580	
Subtotal, overlapping debt			<u>\$ 32,937,581</u>
Total direct and overlapping debt			<u>\$ 33,269,447</u>

Sources: Borough of Fairview Administrator / Bergen County Treasurer's Office

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

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

Fairview Board of Education
 Legal Debt Margin Information
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2014

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 28,753,312	\$ 32,904,565	\$ 36,358,791	41,165,658	43,099,683	43,267,112	39,116,824	23,560,268	23,537,793	22,452,548
Total net debt applicable to limit	1,639,244	1,457,122	1,269,124	1,074,902	874,361	667,014	452,509	230,300	-	-
Legal debt margin	\$ 27,094,068	\$ 31,447,443	\$ 35,089,667	\$ 40,090,756	\$ 42,225,322	\$ 42,600,098	\$ 38,664,315	\$ 23,329,968	\$ 23,537,793	\$ 22,452,548
Total net debt applicable to the limit as a percentage of debt limit	5.71%	4.43%	3.49%	2.61%	2.03%	1.54%	1.16%	0.98%	0.00%	0.00%

Equalized valuation basis	
2014	\$ 1,111,417,088
2013	\$ 1,089,563,815
2012	\$ 1,155,691,027
[A]	\$ 2,245,254,842
[A/3]	\$ 748,418,281

Average equalized valuation of taxable property	
[A/3]	\$ 748,418,281

Debt limit (3% of average equalization value)	
[B]	22,452,548 ^a
Net bonded school debt	
[C]	-
Legal debt margin	
[B-C]	\$ 22,452,548

Source: Abstract of Rates and District Records CAFR Schedule J-7

**Fairview Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita		Unemployment Rate ^d
			Personal Income ^c		
2006	13,344	\$ 842,046,432	63,103		7.20%
2007	13,400	\$ 905,089,600	67,544		6.50%
2008	13,483	\$ 907,823,873	67,331		8.30%
2009	13,590	\$ 868,047,660	63,874		14.50%
2010	13,847	\$ 884,615,595	63,885		14.80%
2011	13,969	\$ 939,387,312	67,248		14.60%
2012	14,183	\$ 982,612,423	69,281		5.00%
2013	14,262	\$ 991,137,690	69,495		5.00%
2014	\$ 14,317	Not Available	Not Available		5.40%
2015	Not Available	Not Available	Not Available		Not Available

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income - Bergen County - provided by NJ Dept of Labor and Workforce Development
- ^c Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**Fairview Board of Education
Principal Employers
Current Year and Ten Years Ago ****

	2015		2006		
Employer	Employees	Rank (Optional)	Percentage of Total Employment	Rank (Optional)	Percentage of Total Employment

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO PRIVACY CONCERNS

Source: Borough of Fairview

** Data was only provided for years noted

**Fairview Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

<u>Function/Program</u>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction										
Regular	62	64	64	64	61	60	60	60	61	69
Special education	21	21	20	22	22	21	21	23	24	27
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	13	13	13	13	13	13	13	13	13	13
General administrative services	4	4	4	5	5	5	5	5	5	5
School administrative services	6	6	6	6	6	6	6	6	6	6
Business administrative services	5	5	5	5	5	4	4	5	5	5
Plant operations and maintenance	10	10	10	9	9	6	6	8	6	7
Pupil transportation	-	-	-	-	-	-	-	-	3	5
Total	121	123	122	124	121	115	115	120	123	137

Source: District Personnel Records

Fairview Board of Education
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Pupil/Teacher Ratio										
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	1,013	17,412,780	17,189	2.56%	86	1:12		1,013	936	30.00%	92.40%
2007	1,005	19,063,378	18,969	10.35%	89	1:11		1,005	942	-0.50%	93.73%
2008	1,051	19,332,639	18,395	-3.03%	88	1:12		1,051	986	3.75%	93.82%
2009	1,043	21,021,034	20,154	9.57%	86	1:12		1,043	981	-0.76%	94.06%
2010	1,115	21,424,300	19,215	-4.66%	83	1:13		1,115	1,062	6.90%	95.25%
2011	1,148	21,027,655	18,317	-4.67%	81	1:14		1,139	1,083	2.15%	95.08%
2012	1,196	20,731,725	17,334	-5.36%	81	1:15		1,183	1,125	3.86%	95.10%
2013	1,205	22,859,505	18,971	9.44%	83	1:15		1,205	1,143	1.86%	94.85%
2014	1,270	23,116,651	18,202	-4.05%	83	1:15		1,271	1,205	5.48%	94.81%
2015	1,311	24,217,332	18,472	1.49%	98	1:13		1,304	1,238	2.60%	94.94%

Sources: District records, ASSA and Schedules J-4

Note: Enrollment based on annual October district count for all students attending school facilities

- a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Fairview Board of Education
School Building Information
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>District Buildings</u>										
<u>Elementary</u>										
Lincoln School										
Square Feet	53,472	53,472	53,472	53,472	53,472	53,472	53,472	53,472	53,472	53,472
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	505	504	518	562	577	573	573	602	592
Lincoln School Annex										
Square Feet	14,810	14,810	14,810	14,810	14,810	14,810	14,810	14,810	14,810	14,810
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	200	195	186	206	227	209	206	213	220
Number 3 School										
Square Feet	23,372	23,372	23,372	23,372	23,372	23,372	23,372	23,372	23,372	23,372
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	350	340	339	356	344	435	426	455	484

Number of Schools at June 30, 2015
Elementary = 2
Middle School = 1

Source: District records, ASSA

Note: Enrollment is based on students' enrolled within the District -- out of district students have not been included

Fairview Board of Education
 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 Facilities	Project # (s)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Lincoln School	N/A	103,766	108,189	105,337	103,126	106,005	82,143	100,306	147,154	123,984	131,582
Annex	N/A	14,135	9,461	6,593	19,487	12,655	17,117	26,098	9,123	8,866	12,409
School No. 3	N/A	7,826	9,500	18,102	18,139	17,991	19,548	21,396	34,601	25,198	22,149
Total School Facilities		125,727	127,150	130,032	140,752	136,651	118,808	147,800	190,878	158,048	166,140
Other Facilities											
Grand Total		\$ 125,727	\$ 127,150	\$ 130,032	\$ 140,752	\$ 136,651	\$ 118,808	\$ 147,800	\$ 190,878	\$ 158,048	\$ 166,140

**Fairview Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2015
Unaudited**

Company	Type of Coverage	Coverage	Deductible
	School package policy -		
	Property - Blanket Building and Contents	\$ 22,345,312	\$ 5,000
	Comprehensive General Liability	16,000,000	
	Comprehensive Automobile Liability	16,000,000	
	Comprehensive Crime Coverage	25,000	500
	Computers and schedule equipment -		
	Data Processing Equipment	125,000	1,000
	Boiler and machinery -		
	Umbrella policy	100,000,000	5,000
	School Board legal liability -		
	Directors and officers policy	16,000,000	5,000
	Public Employees' Faithful Performance Blanket		
	Position Bond - Board Secretary	25,000	1,000
	Pollution - Environmental Package	1,000,000	10,000

Source: District Records

SINGLE AUDIT SECTION

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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**INDEPENDENT AUDITOR'S 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**

Honorable President and
Members of the Board of Education
Fairview Board of Education
Fairview, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Fairview Board of Education, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 9, 2015.

Internal Control Over Financial Reporting

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

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



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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fairview Board of Education'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 Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Fairview Board of Education in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 9, 2015.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Steven D. Wielkotz

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Licensed Public School Accountant
No. 816

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Pompton Lakes, New Jersey

November 9, 2015



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable President and
Members of the Board of Education
Fairview Board of Education
Fairview, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Fairview Board of Education, in the County of Bergen, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Fairview Board of Education's major federal and state programs for the year ended June 30, 2015. The Fairview Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Fairview Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 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 the Fairview Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Fairview Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Fairview Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Fairview Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Fairview Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Fairview Board of Education's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133

We have audited the financial statements of the Fairview Board of Education as of and for the year ended June 30, 2015, and have issued our report there dated November 9, 2015 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Steven D. Wielkotz

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Licensed Public School Accountant
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Certified Public Accountants
Pompton Lakes, New Jersey

November 9, 2015



**FAIRVIEW
BOARD OF EDUCATION**
Schedule of Expenditures of Federal Awards

Year ended June 30, 2015

Federal CFDA Number	Federal Grantor/Pass-through Grantor/ Program Title	Grant Period	Award Amount	Balance at June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2015			MEMO
										(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	
	U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund:												
10.555	National School Lunch Program	7/1/14-6/30/15	\$ 278,178	(34,476)	251,369	278,178				(26,809)			278,178 *
10.555	National School Lunch Program	7/1/13-6/30/14	317,604		34,476								317,604 *
10.553	National Breakfast Program	7/1/14-6/30/15	33,547	(3,936)	30,895	33,547				(2,652)			33,547 *
10.553	National Breakfast Program	7/1/13-6/30/14	38,039		3,936								38,039 *
	Total U.S. Department of Agriculture			(38,412)	320,676	311,725				(29,461)			667,368
	U.S. Department of Education General Fund:												
93.778	MAC	7/1/14-6/30/15	420		420	420							420 *
93.778	ARRA - Medical Assistance Program (SEMI)	7/1/14-6/30/15	5,726		5,726	5,726							5,726 *
93.778	Medical Assistance Program (SEMI)	7/1/14-6/30/15	34,517		12,130	34,517				(22,387)			34,517 *
93.778	Medical Assistance Program (SEMI)	7/1/13-6/30/14	99,888	(62,266)	62,266								99,888 *
	Total U.S. Department of Education			(62,266)	80,542	40,663				(22,387)			140,551
	U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund:												
84.01C	Title I Part A, Improving Basic Program:	7/1/14-6/30/15	829,361	(303,464)	949,591	740,266	21,387			(72,752)			718,879 *
84.01C	Title I Part A, Improving Basic Program:	7/1/13-6/30/14	889,606	(303,464)	303,464			21,387					946,897 *
													1,665,776 *
84.027	I.D.E.A. Part B	7/1/14-6/30/15	383,618	(6,582)	361,613	377,254				(22,223)			377,253 *
84.027	I.D.E.A. Part B	7/1/13-6/30/14	411,182	(6,582)	6,582								424,968 *
84.173	I.D.E.A. Part B Preschool	7/1/14-6/30/15	8,296	(6,582)	7,919	7,919				(22,223)			7,919 *
													818,977 *
84.367A	Title II Part A	7/1/14-6/30/15	55,498	(4,205)	39,225	55,036				(20,016)			55,036 *
84.367A	Title II Part A	7/1/13-6/30/14	53,144	(4,205)	4,205								47,933 *
													102,969 *
84.365A	Title III	7/1/14-6/30/15	49,135	(2,029)	22,874	51,799				(30,954)			51,799 *
84.365A	Title III	7/1/13-6/30/14	33,984	(2,029)	2,029								21,908 *
84.365A	Title III, Immigrant	7/1/13-6/30/14	14,985	(8,317)	6,288	51,799	1,643			(30,954)			41,595 *
													115,302 *
	Total Special Revenue Fund			(322,568)	1,387,510	1,232,274	23,030			(145,945)			2,703,024
	Total Federal Financial Assistance			\$ (423,246)	1,788,728	1,584,662	23,030			(197,793)			3,510,943

See accompanying notes to schedules of expenditures of federal and state awards.

**FAIRVIEW
BOARD OF EDUCATION**
Schedule of Expenditures of State Awards and Other Local Awards
Year ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Deferred Revenue (Accrs Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	Balance at June 30, 2015		
																MEMO	MEMO	
State Department of Education:																		
General Fund:																		
Equalization Aid	495-034-5120-078	7/1/14-6/30/15	5,842,254				5,291,627	5,842,254						(550,627)	5,842,254			
Transportation Aid	495-034-5120-014	7/1/14-6/30/15	31,122				28,189	31,122							(2,933)	31,122		
Special Education Aid	495-034-5120-089	7/1/14-6/30/15	947,543				858,238	947,543							(89,305)	947,543		
Security Aid	495-034-5120-084	7/1/14-6/30/15	109,205				98,913	109,205							(10,292)	109,205		
Under Adequacy Aid	495-034-5120-096	7/1/14-6/30/15	428,905				388,481	428,905							(40,424)	428,905		
PARCC Readiness Aid	495-034-5120-098	7/1/14-6/30/15	17,310				15,678	17,310							(1,632)	17,310		
Per Pupil Growth Aid	495-034-5120-097	7/1/14-6/30/15	17,310				15,678	17,310							(1,632)	17,310		
NTE Homeless Reimbursement	100-029-6060-034	7/1/14-6/30/15	226,730					226,730			(226,730)					226,730		
NTE Homeless Reimbursement	100-029-6060-034	7/1/13-6/30/14	52,782				52,782									52,782		
Extraordinary Aid	100-034-5120-473	7/1/14-6/30/15	154,500				141,693	154,500			(154,500)					154,500		
Extraordinary Aid	100-034-5120-473	7/1/13-6/30/14	141,693				141,693									141,693		
Reimbursed TPAF Social Security	495-034-5094-003	7/1/14-6/30/15	521,112				495,002	521,112			(26,110)					521,112		
Reimbursed TPAF Social Security	495-034-5094-003	7/1/13-6/30/14	506,215				73,688									73,688		
Total General Fund				(268,163)			7,459,969	8,295,991			(407,340)				(696,845)	8,564,154		
Special Revenue Fund:																		
Preschool Education Aid	495-034-5120-086	7/1/14-6/30/15	108,410				97,569	108,694	416			132				108,278		
Nonpublic Text Chapter 194	100-034-5210-064	7/1/14-6/30/15	17,934				17,934	17,930								17,930		
Nonpublic Text Chapter 194	100-034-5210-064	7/1/13-6/30/14	15,029		5					5						15,024		
Chapter 192 - Compensatory Education	100-034-5120-067	7/1/14-6/30/15	118,245				118,245	116,185					2,060			116,185		
Chapter 192 - Compensatory Education	100-034-5120-067	7/1/13-6/30/14	86,539		2,482		14,434	12,150		2,482						84,057		
Chapter 192 - ESL	100-034-5120-067	7/1/14-6/30/15	14,434				14,434									14,434		
Chapter 192 - ESL	100-034-5120-067	7/1/13-6/30/14	16,672		349			9,730		349						12,150		
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/14-6/30/15	12,476				12,476									12,476		
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/13-6/30/14	11,102		2,915					2,915						8,187		
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/14-6/30/15	17,837				17,837	16,754								16,754		
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/13-6/30/14	19,902		639					639						19,263		
Chapter 193 - Corrective Speech	100-034-5120-066	7/1/14-6/30/15	27,212				27,212	24,120					3,092			24,120		
Chapter 193 - Corrective Speech	100-034-5120-066	7/1/13-6/30/14	25,545		5,859					5,859						19,686		
Nonpublic Nursing	100-034-5120-070	7/1/14-6/30/15	28,550				28,550	28,550								28,550		
Nonpublic Nursing	100-034-5120-070	7/1/13-6/30/14	21,153													21,153		
Non Public Technology Grant	100-034-5120-373	7/1/14-6/30/15	9,632				9,632	8,954								8,954		
Total Special Revenue Fund					12,249		343,889	343,067	416	12,249		132	11,947	(10,841)	526,344			
Capital Projects Fund			213,958					213,958			(213,958)							
Lincoln School Window Replacement	1470-060-14-1001	7/1/14-6/30/15																
Total Capital Projects Fund								213,958			(213,958)							
Enterprise Fund:			5,365				4,713	5,365			(652)					5,365		
National School Lunch Program (State Share)	100-010-3350-023	7/1/14-6/30/15	6,540				1,020									6,540		
National School Lunch Program (State Share)	100-010-3350-023	7/1/13-6/30/14																
Total Enterprise Fund							5,733	5,365			(652)					5,365		
Total State Financial Assistance Subject to OMB 04-04				(269,183)	12,249		7,809,591	8,858,381	416	12,249	(621,950)	132	11,947	(707,686)	9,316,361			
On Behalf TPAF Contributions Not Subject to OMB 04-04																		
On-Behalf TPAF - Post Retirement Medical	495-034-5094-001	7/1/14-6/30/15	554,219				554,219	554,219								554,219		
On-Behalf TPAF Pension	495-034-5094-006	7/1/14-6/30/15	325,683				325,683	325,683								325,683		
On-Behalf TPAF NCGI Premium	495-034-5094-007	7/1/14-6/30/15	23,431				23,431	23,431								23,431		
Total State Financial Assistance				(269,183)	12,249		8,712,924	9,761,714	416	12,249	(621,950)	132	11,947	(707,686)	10,219,694			

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Fairview Board of Education. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on 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 2(C) and 2(D) to the Board's basic financial statements. The information in these 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 this schedule may differ in 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 the special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(3,296) for the general fund and \$22,322 for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
General Fund	\$40,663	\$9196028	\$	\$9,236,691
Special Revenue Fund	1,232,273	343,067	5,000	1,580,340
Capital Projects Fund		213,958		213,958
Food Service Fund	<u>311,725</u>	<u>5,365</u>	<u> </u>	<u>317,090</u>
Total Awards and Financial Assistance	<u>\$1,584,661</u>	<u>\$9,758,418</u>	<u>\$5,000</u>	<u>\$11,348,079</u>

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 U.S.D.A. Commodities 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 the year ended June 30, 2015. The amount reported as 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, 2015.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$903,333 of on-behalf payments is excluded from major program determination.

**FAIRVIEW BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- | | | | |
|---|-----------|------------------------------|--|
| 1. Material weakness(es) identified? | _____ yes | _____ <u>X</u> no | |
| 2. Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> none reported | |

Noncompliance material to basic financial statements noted? _____ yes _____ X no

Federal Awards

Internal Control over major programs:

- | | | | |
|---|-----------|------------------------------|--|
| 1. Material weakness(es) identified? | _____ yes | _____ <u>X</u> no | |
| 2. Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> none reported | |

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes _____ X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027/84.173 (A)	IDEA Part B Basic/IDEA Part B Preschool
10.555/10.553 (A)	National School Lunch Program/National School Breakfast Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? _____ X yes _____ no

Note: (A) Tested as Major Type A Program

**FAIRVIEW BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Section II – Financial Statement Findings

NONE

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

NONE

**FAIRVIEW BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Status of Prior Year Findings

NONE