

**FAIRVIEW BOARD OF EDUCATION  
COUNTY OF BERGEN, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016**

# **FAIRVIEW BOARD OF EDUCATION**

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

**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2016**

# **Comprehensive Annual Financial Report**

**of the**

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

**Year Ended June 30, 2016**

**Prepared by**

**Patrick Caufield  
Board Secretary/Business Administrator**

# OUTLINE OF CAFR

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## **INTRODUCTORY SECTION**



# FAIRVIEW PUBLIC SCHOOLS

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Superintendent of Schools  
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Fairview, NJ 07022

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November 18, 2016

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, 2016 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 Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards (Uniform Guidance) and New Jersey States Office of Management and Budget Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State 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 1368 students. This number represents an increase of seventy-five (75) 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
2015-2016	1368	5.8

**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 2006-2007 school year to the present, the overall student population has increased by 36.1% or 363 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 continued to increase the amount of technology devices available to students during the 2015-2016 school year. The district is currently awaiting the results of the PARCC test administered during the 2015-2016 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, 2016.

**6. Debt Administration:** As of June 30, 2016, the district outstanding debt issues included a total of \$164,056.00 in Pension Refunding Bonds. The balance of all Safe School Bonds had been paid off as of July 15, 2013.

**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 Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards (Uniform Guidance) and New Jersey States Office of Management and Budget Circular 15-08. 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.

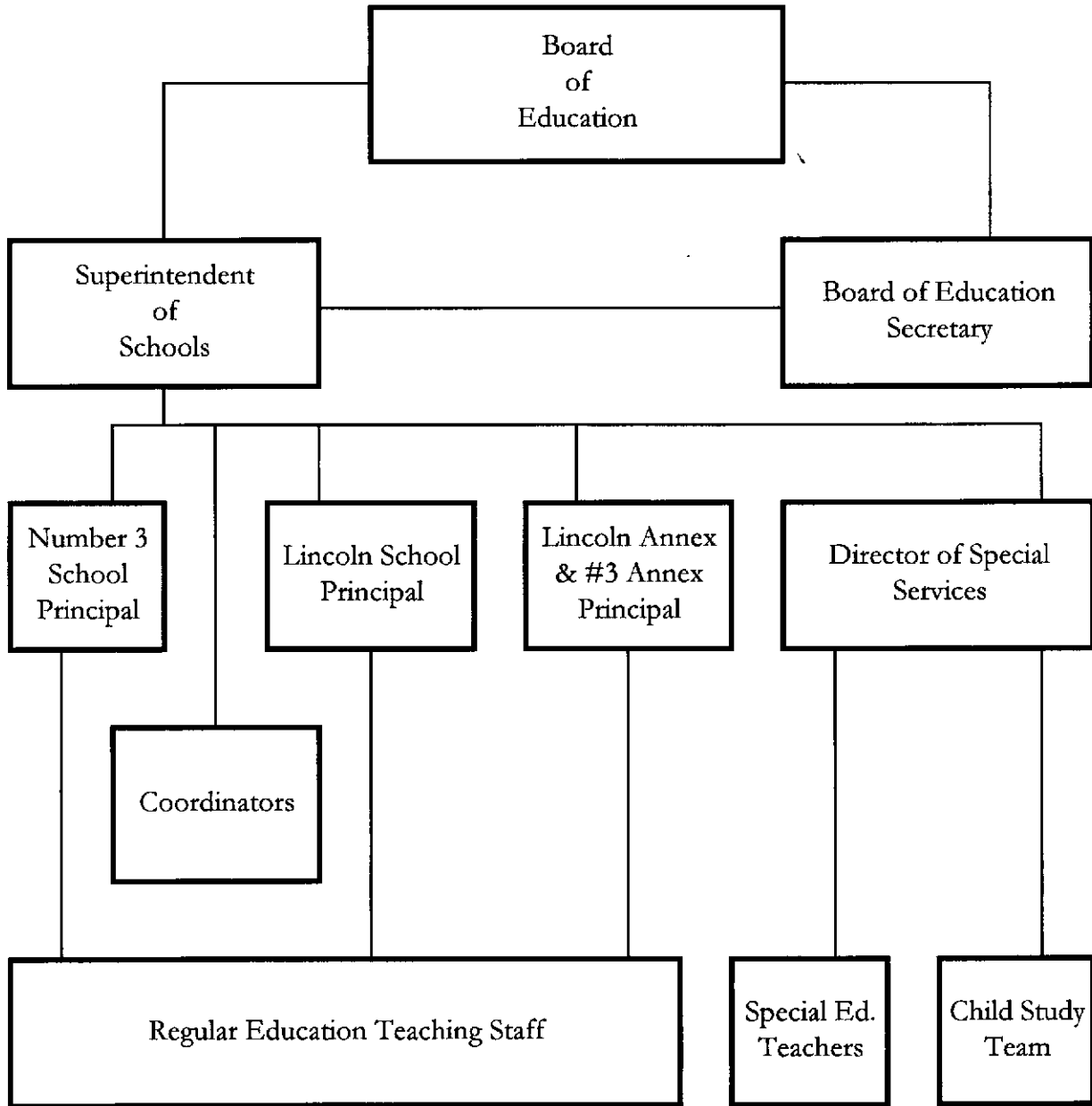
Respectfully submitted,

*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, 2016**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Joseph Alampi	2019
Louis Aveta	2017
Martin Booth	2018
Gustavo Gomez	2018
Louis Lynaugh	2018
Francisco Martinez	2019
Nicholas Morin	2017
Diane Testa	2019
Maria Travers	2017

**Other Officials**

David Sleppin, Ph.D., Superintendent

Partick Caufield, School Business Administrator/Board Secretary

**FAIRVIEW BOARD OF EDUCATION**

**CONSULTANTS & ADVISORS**

**JUNE 30, 2016**

**Attorney**

Stephen F. Pellino, Esq.  
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**Architect of Record**

GEORGE HELD & ASSOCIATES, AIA  
457 Crooks Avenue  
Clifton, NJ 07011

**District Auditor**

STEVEN D. WIELKOTZ, C.P.A.  
401 Wanaque Avenue  
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**Official Depository**

GSL Bank  
215 Bergen Blvd  
Fairview, NJ 07022

**FINANCIAL SECTION**



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

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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, 2016, 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.

### **Opinion**

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, 2016, 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 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 18, 2016 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. Wielkotz*

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

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

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

November 18, 2016



**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

**FAIRVIEW BOARD OF EDUCATION  
FAIRVIEW, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
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, 2016. 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 decreased by \$877,725. Net position of governmental activities decreased \$902,735 while net position of business-type activities increased by \$25,010.
- General revenues accounted for \$25,386,891 in revenue or 92 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,120,448 or 8 percent of total revenues of \$27,507,339.
- The School District had \$28,385,064 in expenses related to governmental and business-type activities; only \$2,120,448 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$25,386,891 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, 2016  
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, 2016  
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, 2016  
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 \$1,677,616 at June 30, 2016 and \$2,555,341 at June 30, 2015. 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 2016 compared to 2015 (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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>						
Current and Other Assets	2,226,439	3,494,813	87,950	58,879	2,314,389	3,553,692
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>3,034,285</u>	<u>3,283,526</u>	<u>9,321</u>	<u>13,382</u>	<u>3,043,606</u>	<u>3,296,908</u>
Total Assets	<u>6,580,937</u>	<u>8,098,552</u>	<u>97,271</u>	<u>72,261</u>	<u>6,678,208</u>	<u>8,170,813</u>
<b>Deferred Outflows:</b>						
Unamortized Bond Issuance Costs	4,668	7,001			4,668	7,001
Deferred Outflows of Resources						
Related to PERS	<u>1,120,589</u>	<u>695,749</u>	—	—	<u>1,120,589</u>	<u>695,749</u>
Total Deferred Outflows	<u>1,125,257</u>	<u>702,750</u>	—	—	<u>1,125,257</u>	<u>702,750</u>
<b>Liabilities</b>						
Current Liabilities	671,172	1,334,782			671,172	1,334,782
Noncurrent Liabilities	<u>5,279,512</u>	<u>4,749,738</u>	—	—	<u>5,279,512</u>	<u>4,749,738</u>
Total Liabilities	<u>5,950,684</u>	<u>6,084,520</u>	—	—	<u>5,950,684</u>	<u>6,084,520</u>
<b>Deferred Inflows:</b>						
Deferred Inflows of Resources						
Related to PERS	<u>175,165</u>	<u>233,702</u>	—	—	<u>175,165</u>	<u>233,702</u>
Total Deferred Inflows	<u>175,165</u>	<u>233,702</u>	—	—	<u>175,165</u>	<u>233,702</u>
<b>Net Position</b>						
Net Investment in Capital						
Assets	4,107,255	4,278,874	9,321	13,382	4,116,576	4,292,256
Restricted	1,840,297	2,430,542			1,840,297	2,430,542
Unrestricted	<u>(4,367,207)</u>	<u>(4,226,336)</u>	<u>87,950</u>	<u>58,879</u>	<u>(4,279,257)</u>	<u>(4,167,457)</u>
Total Net Position	<u>1,580,345</u>	<u>2,483,080</u>	<u>97,271</u>	<u>72,261</u>	<u>1,677,616</u>	<u>2,555,341</u>

**FAIRVIEW BOARD OF EDUCATION  
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

Table 2 below shows the changes in net position for fiscal year 2016.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales			20,278	10,005	20,278	10,005
Operating Grants and Contributions	1,802,348	1,571,386	297,822	317,090	2,100,170	1,888,476
General Revenues:						
Taxes:						
Property Taxes	13,895,286	13,533,081			13,895,286	13,533,081
Federal and State Aid not Restricted	11,429,835	10,658,316			11,429,835	10,658,316
Federal and State Aid - Capital Outlay	15,018	8,954			15,018	8,954
State Aid - Capital Outlay						
Facilities Grant		213,958				213,958
Tuition Received	11,040	10,530			11,040	10,530
Miscellaneous Income	32,403	354,499			32,403	354,499
Investment Income	3,250	2,955	59	43	3,309	2,998
Transfers	<u>(3,476)</u>	<u>(10,044)</u>	<u>3,476</u>	<u>10,044</u>		
Total Revenues and Transfers	<u>27,185,704</u>	<u>26,343,635</u>	<u>321,635</u>	<u>337,182</u>	<u>27,507,339</u>	<u>26,680,817</u>

**FAIRVIEW BOARD OF EDUCATION  
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	5,434,612	5,851,323			5,434,612	5,851,323
Special Education	3,392,487	3,177,747			3,392,487	3,177,747
Other Special Instruction	1,079,531	903,934			1,079,531	903,934
Other Instruction	55,925	55,423			55,925	55,423
Support Services:						
Tuition	8,291,898	7,632,695			8,291,898	7,632,695
Student & Instruction Related Services	2,503,010	2,220,215			2,503,010	2,220,215
School Administrative Services	936,880	738,929			936,880	738,929
General Administrative Services	631,519	892,615			631,519	892,615
Central Administration and Admin. Info. Tech.	799,532	740,156			799,532	740,156
Plant Operations and Maintenance	1,771,983	1,557,489			1,771,983	1,557,489
Pupil Transportation	515,194	394,459			515,194	394,459
Unallocated Benefits	1,831,028	1,488,287			1,831,028	1,488,287
Special Schools	18,118	21,000			18,118	21,000
Charter Schools						
Capital Outlay - Nondepreciable	565,265				565,265	
Interest on Long-Term Debt	9,883	15,561			9,883	15,561
Unallocated Depreciation	249,241	245,381			249,241	245,381
Capital Lease Obligations and Amortization	2,333	2,333			2,333	2,333
Food Service			<u>296,625</u>	<u>329,670</u>	<u>296,625</u>	<u>329,670</u>
Total Expenses	<u>28,088,439</u>	<u>25,937,547</u>	<u>296,625</u>	<u>329,670</u>	<u>28,385,064</u>	<u>26,267,217</u>
Increase or (Decrease) in Net Position	<u>(902,735)</u>	<u>406,088</u>	<u>25,010</u>	<u>7,512</u>	<u>(877,725)</u>	<u>413,600</u>

**FAIRVIEW BOARD OF EDUCATION  
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
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 \$28,385,064. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$13,895,286 because some of the cost was paid by those who benefitted from the programs \$20,278, by other governments and organizations who subsidized certain programs with grants and contributions \$2,100,170, unrestricted federal and state aid \$11,429,835, federal and state aid capital outlay \$15,018, and by miscellaneous sources \$46,752.

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 \$25,010.
- ✓ Charges for services provided totaled \$20,278. 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 was \$297,822.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2016, 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 2015</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$13,941,979	55.3%	\$35,914	0.26%	\$13,906,065
State Source	9,739,476	38.6%	(13,577)	(0.14)%	9,753,053
Federal Source	<u>1,542,819</u>	<u>6.1%</u>	<u>269,883</u>	21.20%	<u>1,272,936</u>
Total	<u>\$25,224,274</u>	<u>100.0%</u>	<u>\$292,220</u>	1.17%	<u>\$24,932,054</u>
<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2015</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$7,227,603	28.0%	(\$350,721)	(4.63)%	\$7,578,324
Undistributed	17,963,945	69.5%	1,324,937	7.96%	16,639,008
Debt Service	80,925	0.3%	(4,025)	(4.74)%	84,950
Capital Outlay	<u>565,265</u>	<u>2.2%</u>	<u>(259,400)</u>	(31.46)%	<u>824,665</u>
Total	<u>\$25,837,738</u>	<u>100.0%</u>	<u>\$710,791</u>	2.83%	<u>\$25,126,947</u>

**FAIRVIEW BOARD OF EDUCATION  
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
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, 2016, 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 special revenue fund was increased by \$213,523 for increases in federal and state grant awards.

**General Fund**

The general fund actual revenue was \$23,285,280. That amount is \$1,912,461 above the final amended budget of \$21,372,819. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$1,681,589 for TPAF social security reimbursements and on-behalf pension payments and a \$230,872 excess in miscellaneous anticipated revenues, other state aids and other federal aids.

The actual expenditures of the general fund were \$23,426,897 including transfers which is \$1,168,775 more than the final amended budget of \$22,258,122. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$1,681,589 and \$512,814 of unexpended budgeted funds.

**Special Revenue Fund**

The special revenue fund actual revenue was \$1,823,598. That amount is above the original budget estimate of \$1,712,274 and below the final amended budget of \$1,925,797. The \$213,523 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 \$102,199 variance between the final amended budget and the June 30, 2016 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 \$1,823,598, which is above the original budget of \$1,712,274 and below the final amended budget of \$1,925,797. The \$213,523 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 \$102,199 variance between the final amended budget and the June 30, 2016 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, 2016  
UNAUDITED (CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2016 the School District had \$13,249,890 invested in sites, buildings, equipment and construction in progress. Of this amount, \$8,886,071 in depreciation has been taken over the years. We currently have a net book value of \$4,363,819. Total depreciable additions for the year were \$-0-, which consisted of various equipment purchases and site and building improvements. Table 3 shows fiscal year 2016 balances compared to 2015.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	1,320,213	1,320,213			1,320,213	1,320,213
Site Improvements	108,398	119,536			108,398	119,536
Buildings and Improvements	2,516,072	2,647,007			2,516,072	2,647,007
Machinery and Equipment	409,815	516,983	9,321	13,382	419,136	530,365
	<u>4,354,498</u>	<u>4,603,739</u>	<u>9,321</u>	<u>13,382</u>	<u>4,363,819</u>	<u>4,617,121</u>

**FAIRVIEW BOARD OF EDUCATION  
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)**

**Debt Administration**

At June 30, 2016, the District had \$5,279,512 of long term debt. Of this amount, \$469,785 is for compensated absences, \$155,000 is for the pension refunding bonds, \$96,911 is for obligations under capital lease, and \$4,557,816 is for net pension liability.

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

	<b><u>2016</u></b>	<b><u>2015</u></b>
2003 Pension Refunding Bonds	<b><u>\$155,000</u></b>	<b><u>\$225,000</u></b>

**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 2016-2017 school year that is slightly above the funding level of the 2015-2016 school year.

These factors were considered in preparing the Fairview Board of Education's budgets for the 2016-2017 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, 2016**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	826,190	28,397	854,587
Receivables, net	792,255	25,247	817,502
Internal Balances	(34,306)	34,306	-
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)	3,034,285	9,321	3,043,606
Total Assets	<u>6,580,937</u>	<u>97,271</u>	<u>6,678,208</u>
Deferred Outflow of Resources:			
Unamortized bond issuance costs	4,668		4,668
Deferred outflows of resources related to PERS	1,120,589		1,120,589
Total Deffered Outflows	<u>1,125,257</u>		<u>1,125,257</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	644,712		644,712
Payable to federal government	1,643		1,643
Payable to state government	24,685		24,685
Deferred revenue	132		132
Noncurrent liabilities:			
Due within one year	111,138		111,138
Due beyond one year	5,168,374		5,168,374
Total liabilities	<u>5,950,684</u>	<u>-</u>	<u>5,950,684</u>
Deferred Inflows of Resources:			
Deferred inflows of resources related to PERS	175,165		175,165
Total Deffered Inflows	<u>175,165</u>		<u>175,165</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,107,255	9,321	4,116,576
Restricted for:			
Capital projects	283,579		283,579
Other purposes	1,556,718		1,556,718
Unrestricted (Deficit)	(4,367,207)	87,950	(4,279,257)
Total net position	<u>1,580,345</u>	<u>97,271</u>	<u>1,677,616</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, 2016

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	Total
Governmental activities:							
Instruction:							
Regular	3,753,241	1,681,371			(5,434,612)		(5,434,612)
Special education	2,676,623	715,864		1,285,371	(2,107,116)		(2,107,116)
Other special instruction	715,998	363,533			(1,079,531)		(1,079,531)
Other instruction	37,565	18,360			(55,925)		(55,925)
Support services:							
Tuition	8,291,898				(8,291,898)		(8,291,898)
Student & instruction related services	1,922,235	580,775		516,977	(1,986,033)		(1,986,033)
School administrative services	616,220	320,660			(936,880)		(936,880)
General administrative services	528,710	102,809			(631,519)		(631,519)
Central services and administrative information technology	545,883	253,649			(799,532)		(799,532)
Plant operations and maintenance	1,414,231	357,752			(1,771,983)		(1,771,983)
Pupil transportation	418,965	96,229			(515,194)		(515,194)
Unallocated benefits	1,831,028				(1,831,028)		(1,831,028)
Special schools	18,118				(18,118)		(18,118)
Capital outlay - non-depreciable	565,265				(565,265)		(565,265)
Interest on long-term debt	9,883				(9,883)		(9,883)
Unallocated depreciation	249,241				(249,241)		(249,241)
Amortization	2,333				(2,333)		(2,333)
Total governmental activities	23,597,437	4,491,002	-	1,802,348	(26,286,091)	-	(26,286,091)
Business-type activities:							
Food Service	296,625		20,278	297,822		21,475	21,475
Total business-type activities	296,625		20,278	297,822		21,475	21,475
Total primary government	23,894,062		20,278	2,100,170	(26,286,091)	21,475	(26,264,616)
General revenues:							
Taxes:							
Levied for general purposes					13,814,362		13,814,362
Taxes levied for debt service					80,924		80,924
Federal and State aid not restricted					11,429,835		11,429,835
Federal and State aid - Capital Outlay					15,018		15,018
Investment Earnings					3,250	59	3,309
Miscellaneous Income					32,403		32,403
Tuition from Summer Schools					11,040		11,040
Transfers					(3,476)	3,476	-
Total general revenues, special items, extraordinary items and transfers					25,383,356	3,535	25,386,891
Change in Net Position					(902,735)	25,010	(877,725)
Net Position—beginning					2,483,080	72,261	2,555,341
Net Position—ending					1,580,345	97,271	1,677,616

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, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents					
Checking	777,473		48,717		826,190
Accounts Receivable -					
Interfunds	67,698				67,698
Intergovernmental - Federal	23,799	241,934			265,733
Intergovernmental - State	302,382		192,562		494,944
Other receivables	31,578				31,578
Restricted cash and cash equivalents					
Capital reserve	42,300				42,300
Tuition reserve	600,000				600,000
Total assets	<u>1,845,230</u>	<u>241,934</u>	<u>241,279</u>	<u>-</u>	<u>2,328,443</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	297,601	147,776			445,377
Intergovernmental accounts payable - State		24,685			24,685
Intergovernmental accounts payable - Federal		1,643			1,643
Interfund payables	34,306	67,698			102,004
Deferred revenue		132			132
Total liabilities	<u>331,907</u>	<u>241,934</u>	<u>-</u>	<u>-</u>	<u>573,841</u>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess Surplus - current year	286,074				286,074
Excess Surplus - prior year - designated for subsequent year's expenditures	145,633				145,633
Capital reserve account	42,300				42,300
Tuition reserve	600,000				600,000
<b>Assigned to:</b>					
Year-end encumbrances	147,340				147,340
Designated by the BOE for subsequent year's expenditures	377,671				377,671
Capital projects fund			241,279		241,279
<b>Unassigned:</b>					
General fund	(85,695)				(85,695)
Total Fund balances	<u>1,513,323</u>	<u>-</u>	<u>241,279</u>	<u>-</u>	<u>1,754,602</u>
Total liabilities and fund balances	<u>1,845,230</u>	<u>241,934</u>	<u>241,279</u>	<u>-</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 \$8,832,322	4,354,498
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	(1,689)
Accounts payable for subsequent Pension payment is not a payable in the funds	(197,646)
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 \$25,332	4,668
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	1,120,589
Deferred inflows of resources related to PERS Pension Liability	(175,165)
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)	(5,279,512)
Net position of governmental activities	<u>1,580,345</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, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Municipal tax levy	13,814,362			80,924	13,895,286
Tuition from Summer School	11,040				11,040
Interest Earned	3,250				3,250
Miscellaneous	32,403				32,403
Total - Local Sources	13,861,055	-	-	80,924	13,941,979
State sources	9,418,324	321,152			9,739,476
Federal sources	46,605	1,496,214			1,542,819
Total revenues	23,325,984	1,817,366	-	80,924	25,224,274
<b>EXPENDITURES</b>					
Current:					
Regular instruction	3,797,417				3,797,417
Special education instruction	1,391,252	1,285,371			2,676,623
Other special instruction	715,998				715,998
School sponsored/other instructional	37,565				37,565
Support services and undistributed costs:					
Tuition	8,291,898				8,291,898
Attendance and social work services	169,520				169,520
Health services	225,850				225,850
Student & instruction related services	1,009,888	516,977			1,526,865
School administrative services	616,220				616,220
General administrative services	528,710				528,710
Central services & administrative information technology	545,883				545,883
Plant operations and maintenance	1,414,231				1,414,231
Pupil transportation	418,965				418,965
Unallocated benefits	2,526,096				2,526,096
On-behalf contributions	1,681,589				1,681,589
Special Schools:					
Summer School Instruction	18,118				18,118
Debt service:					
Principal				70,000	70,000
Interest and other charges				10,925	10,925
Capital outlay	34,221	15,018	516,026		565,265
Total expenditures	23,423,421	1,817,366	516,026	80,925	25,837,738
Excess (Deficiency) of revenues	(97,437)	-	(516,026)	(1)	(613,464)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(3,476)				(3,476)
Capital Leases (non-budgeted)	34,221				34,221
Total other financing sources and uses	30,745	-	-	-	30,745
Net change in fund balances	(66,692)	-	(516,026)	(1)	(582,719)
Fund balance—July 1	1,580,015		757,305	1	2,337,321
Fund balance—June 30	1,513,323	-	241,279	-	1,754,602

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, 2016**

**Total net change in fund balances - governmental funds (from B-2)** (582,719)

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	(249,241)	
	Depreciable Capital outlays	<u>0</u>	
			(249,241)

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>44,176</u>	
			114,176

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>(34,221)</u>
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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	2,731	
	General Bond Obligations	<u>(1,689)</u>	
			1,042

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		26,555
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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	174,559	
	Less: Pension Expense	<u>(350,553)</u>	
	Increase in Pension Expense		(175,994)

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	1,964,906	
	Increase in On-behalf TPAF Pension Expense		(1,964,906)

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)
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	<b>Change in net position of governmental activities</b>		<u><u>(902,735)</u></u>
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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, 2016**

		<b><u>Business-type Activities - Enterprise Fund</u></b>
		<b><u>Food Service Program</u></b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	28,397	
Interfund receivable	34,306	
Accounts receivable:		
State	408	
Federal	24,839	
Total current assets	<u>87,950</u>	
Noncurrent assets:		
Capital assets:		
Equipment	63,070	
Less accumulated depreciation	<u>(53,749)</u>	
Total capital assets (net of accumulated depreciation)	<u>9,321</u>	
Total assets	<u>97,271</u>	
<b>NET POSITION</b>		
Net Investment in Capital Assets	9,321	
Unrestricted	<u>87,950</u>	
Total net position	<u>97,271</u>	



**FAIRVIEW BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2016**

	<u><b>Business-type Activities - Enterprise Fund</b></u>
	<u><b>Food Service Program</b></u>
Operating revenues:	
Charges for services:	
Daily sales	20,278
Total operating revenues	<u>20,278</u>
Operating expenses:	
Cost of sales	292,564
Depreciation expense	4,061
Total Operating Expenses	<u>296,625</u>
Operating income (loss)	<u>(276,347)</u>
Nonoperating revenues (expenses):	
State sources:	
School lunch program	4,797
Federal sources:	
National school lunch program	260,076
Breakfast program	32,949
Interest Income	59
Total nonoperating revenues (expenses)	<u>297,881</u>
Income (loss) before contributions & transfers	<u>21,534</u>
Other financing sources/(uses)	
Transfer In	3,476
Change in net position	<u>25,010</u>
Total net position—beginning	<u>72,261</u>
Total net position—ending	<u><u>97,271</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, 2016**

	<u><b>Business-type Activities - Enterprise Fund</b></u>
	<u><b>Food Service Program</b></u>
 <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	20,278
Payments to suppliers	(292,564)
Net cash provided by (used for) operating activities	<u>(272,286)</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Sources	4,494
Federal Sources	264,241
Transfer In	3,476
Net cash provided by (used for) non-capital financing activities	<u>272,211</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends	59
Net cash provided by (used for) investing activities	<u>59</u>
Net increase (decrease) in cash and cash equivalents	<u>(16)</u>
 Balances—beginning of year	 <u>28,413</u>
Balances—end of year	<u>28,397</u>
 <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	(276,347)
Adjustments to reconcile operating income (loss) to net cash provided by	
Depreciation and net amortization	4,061
Total adjustments	<u>4,061</u>
Net cash provided by (used for) operating activities	<u>(272,286)</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, 2016**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	293,982
Total assets	<u>293,982</u>
<b>LIABILITIES</b>	
Payable to student groups	16,671
Payroll deductions and withholdings	277,303
Region VI Fund	8
Total liabilities	<u><u>293,982</u></u>

**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, 2016**

**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, 2016**

**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, 2016**

**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, 2016**

**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, 2016**

**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, 2016**

**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.

**Fairview Board of Education  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**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, 2016**

**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, 2016, 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, 2016**

**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, 2016**

**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, 2016**

**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. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, deferred amounts related to pension and deferred amounts relating to unamortized bond issuance costs.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one item that qualifies in this category, deferred amounts related to pension.

**Fairview Board of Education**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2016**

**Q. 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.
- **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.

**R. 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.



**Fairview Board of Education  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**R. Net Position: (continued)**

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

**S. 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.

**T. 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.

**U. 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.

**V. 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.

**W. 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, 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, 2016**

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

**W. Recent Accounting Pronouncements: (continued)**

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.

The Government Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement is effective for fiscal years beginning after June 15, 2015. 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, 2016**

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

**W. Recent Accounting Pronouncements: (continued)**

The Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. 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. 77, *Tax Abatement Disclosures*, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The District believes this Statement will have no impact on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which establishes the criteria for identifying the applicable pension plans and addresses measurement and recognition for pension liabilities, expense and expenditures; note disclosures of descriptive information about the plan, benefit terms, and contributions items; and required supplementary information presenting required contribution amounts for the past 10 fiscal years. The District is currently reviewing what effect this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 79, *Certain External Investment Pools and Pool Participation*, which permits qualifying external investment pools to measure pool investments at amortized cost for financial reporting purposes. The District is currently reviewing what effect this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 80, *Blending Requirements for Certain Component Units*, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The District does not believe this Statement will have any effect on future financial statements.

**Fairview Board of Education  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**W. Recent Accounting Pronouncements: (continued)**

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, Irrevocable Split-Interest Agreements. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The District does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and 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 reporting periods beginning after June 15, 2016. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice.

**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, 2016, \$-0- of the District's bank balance of \$4,373,623 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.

**Fairview Board of Education  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**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.

**NOTE 4. RECEIVABLES**

Receivables at June 30, 2016, 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 <u>Statements</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
Other Receivables	\$31,578	\$	\$31,578
State Aid	494,944	408	495,352
Federal Aid	278,088	24,839	302,927
Due from Other Funds	<u>67,698</u>	<u>34,306</u>	<u>          </u>
Gross Receivables	872,308	59,553	829,857
Less: Allowance for Uncollectibles	<u>          </u>	<u>          </u>	<u>          </u>
Total Receivables, Net	<u><u>\$872,308</u></u>	<u><u>\$59,553</u></u>	<u><u>\$829,857</u></u>

**NOTE 5. INTERFUND BALANCE AND ACTIVITY**

Balance due to/from other funds at June 30, 2016, consist of the following:

\$67,698	Due to the General Fund from the Special Revenue Fund to cover deficit in cash.
<u>34,306</u>	Due to the Enterprise Fund from the General Fund for subsidiary reimbursements not turned over.
<u><u>\$102,004</u></u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

Interfund transfers for the year ended June 30, 2016 consisted of the following:

\$3,476 from the General Fund to the Enterprise Fund to cover a deficit.

**Fairview Board of Education  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Beginning Balance <u>6/30/15</u>	<u>Additions</u>	<u>Retirements</u>	Ending Balance <u>6/30/16</u>
<b>Governmental Activities</b>				
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	8,743,824			8,743,824
Machinery and Equipment	<u>2,809,298</u>			<u>2,809,298</u>
Totals at Historical Cost	<u>11,866,607</u>	_____	_____	<u>11,866,607</u>
Less Accumulated Depreciation:				
Sites and Improvements	(193,949)	(11,138)		(205,087)
Buildings and Improvements	(6,096,817)	(130,935)		(6,227,752)
Machinery and Equipment	<u>(2,292,315)</u>	<u>(107,168)</u>		<u>(2,399,483)</u>
Total Accumulated Depreciation	<u>(8,583,081)</u>	<u>(249,241)</u>	_____	<u>(8,832,322)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>3,283,526</u>	<u>(249,241)</u>	_____	<u>3,034,285</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>4,603,739</u>	<u>(249,241)</u>	=====	<u>4,354,498</u>
	Beginning Balance <u>6/30/15</u>	<u>Additions</u>	<u>Retirements</u>	Ending Balance <u>6/30/16</u>
<b>Business-Type Activity</b>				
Equipment	63,070	_____	_____	63,070
Totals at historical	<u>63,070</u>	_____	_____	<u>63,070</u>
Less Accumulated Depreciation for:				
Equipment	(49,688)	(4,061)		(53,749)
Total Accumulated Depreciation	<u>(49,688)</u>	<u>(4,061)</u>	_____	<u>(53,749)</u>
<b>Business-Type Activity Capital Assets, Net</b>	<u>13,382</u>	<u>(4,061)</u>	=====	<u>9,321</u>

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

**Fairview Board of Education**  
**Notes to the Basic Financial Statements**  
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**NOTE 7. LONG-TERM OBLIGATION ACTIVITY**

Changes in long-term obligations for the year ended June 30, 2016 were as follows:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Amount</u> <u>Due Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	\$225,000	\$ _____	\$(70,000)	\$155,000	\$75,000
Total Bonds Payable	<u>225,000</u>	<u>_____</u>	<u>(70,000)</u>	<u>155,000</u>	<u>75,000</u>
				0	
Other Liabilities:					
Obligations Under Capital Lease	106,866	34,221	(44,176)	96,911	36,138
Compensated Absences Payable	496,340		(26,555)	469,785	
Net Pension Liability PERS	<u>3,921,532</u>	<u>636,284</u>		<u>4,557,816</u>	
Total Other Liabilities	<u>4,524,738</u>	<u>670,505</u>	<u>(70,731)</u>	<u>5,124,512</u>	<u>36,138</u>
	<u>4,749,738</u>	<u>670,505</u>	<u>(\$140,731)</u>	<u>\$5,279,512</u>	<u>\$111,138</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.

Outstanding bonds payable at June 30, 2016 consisted of the following:

<u>Issue</u>	<u>Issue</u> <u>Date</u>	<u>Interest</u> <u>Rates</u>	<u>Date of</u> <u>Maturity</u>	<u>Principal</u> <u>Balance</u> <u>June 30, 2016</u>
ERIP Refunding Bonds	10/1/2003	5.50%-5.75%	10/1/2017	<u>\$155,000</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>
2017	\$75,000	\$6,756	\$81,756
2018	<u>80,000</u>	<u>2,300</u>	<u>82,300</u>
	<u>\$155,000</u>	<u>\$9,056</u>	<u>\$164,056</u>

**Fairview Board of Education  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**B. Bonds Authorized But Not Issued:**

As of June 30, 2016 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, 2016:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$54,364	\$7,449	\$61,813
2018	36,138	2,074	38,212
2019	<u>6,409</u>	<u>181</u>	<u>6,590</u>
	<u>\$96,911</u>	<u>\$9,704</u>	<u>\$106,615</u>
	Total minimum lease payments		\$106,615
	Less: Amount representing interest		<u>(9,704)</u>
	Present value of lease payments		<u>\$96,911</u>

**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, 2016 were \$184,191. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$43,099
2018	27,138
2019	<u>13,569</u>
	<u>\$83,806</u>



**Fairview Board of Education  
Notes to the Basic Financial Statements  
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**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](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.

**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

**Fairview Board of Education  
Notes to the Basic Financial Statements  
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**NOTE 9. PENSION PLANS, (continued)**

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, 2016 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> 6/30/16	\$174,559	\$9,637
6/30/15	172,670	14,120
6/30/14	155,055	12,512

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:

Year	Pension	Post-Retirement Medical	NCGI
<u>Ending</u> 6/30/16	<u>Contributions</u> \$502,138	<u>Contributions</u> \$627,691	<u>Premium</u> \$25,013
6/30/15	325,683	554,219	23,431
6/30/14	239,344	427,074	21,126

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 \$526,747 during the year ended June 30, 2016 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.

**Fairview Board of Education  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 9. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS)**

At June 30, 2016, the District reported a liability of \$4,557,816 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2015, the District's proportion was .0203038900 percent, which was a decrease of (.0000064141) percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$350,553. At June 30, 2016, 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>
Difference in actual and expected experience	\$108,733	\$
Changes of assumptions	489,473	
Net difference between projected and actual earnings on pension plan investments		73,281
Changes in proportion and differences between District contributions and proportionate share of contributions	324,737	101,884
District contributions subsequent to the measurement date	<u>197,646</u>	<u>          </u>
Total	<u>\$1,120,589</u>	<u>\$175,165</u>

The \$197,646 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, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$98,582
2018	98,582
2019	157,007
2020	88,756

**Fairview Board of Education  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 9. PENSION PLANS, (continued)**

**Additional Information**

Local Group Collective balances at June 30, 2015 and 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30,2014</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
District's Proportion	.0203038900%	.0209452961%

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the July 1, 2014 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	3.04 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, 2016**

**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 (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
Reit	4.25%	5.12%
	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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

**Fairview Board of Education  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 9. PENSION PLANS, (continued)**

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.

**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, 2015 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:

	June 30, 2015		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
District's proportionate share of the pension liability	\$5,664,808	\$4,557,816	\$3,629,723

**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, 2016 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>40,813,914</u>
	<u>\$40,813,914</u>

**Fairview Board of Education  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 9. PENSION PLANS, (continued)**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. 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, 2015, the proportion of the TPAF net pension liability associated with the District was .0645746143%.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue of \$2,492,057 for contributions provided by the State in the District-Wide Financial Statements.

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. 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, 2014 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, 2016**

**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 (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
	<u>100.00%</u>	



**Fairview Board of Education  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 9. PENSION PLANS, (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

**Fairview Board of Education  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 10. POST-RETIREMENT BENEFITS, (continued)**

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

**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.

**Fairview Board of Education  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**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 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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	<u>\$42,300</u>
Ending Balance, June 30, 2016	<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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$600,000
Increased by:	
Deposits Approved by Board Resolution	200,000
Decreased by:	
Budget Appropriations	<u>200,000</u>
Ending Balance, June 30, 2016	<u>\$600,000</u>

**Fairview Board of Education  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 15. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$1,513,323 General Fund fund balance at June 30, 2016, \$147,340 is reserved for encumbrances; \$431,707 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 \$145,633 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2017); \$42,300 has been reserved in the Capital Reserve Account; \$600,000 has been reserved in the Tuition Reserve Account; \$377,671 of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ended June 30, 2017; \$(85,695) 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, 2016 is \$431,707. Of this amount, \$286,074 is the result of current year's operations.

**NOTE 17. 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.

**Tuition Adjustment** - The District has received a tuition adjustment bill from the Borough of Cliffside Park School District in accordance with N.J.A.C. 6A:23A-17 in the amount of \$467,979. This amount will be recorded as an expenditure in 2016-2017.

**NOTE 18. SUBSEQUENT EVENTS**

The Board has evaluated subsequent events through November 18, 2016, 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**

**FAIRVIEW BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2016**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>REVENUES:</b>					
<b>General Fund:</b>					
Revenues from Local Sources:					
Local Tax Levy	13,814,362		13,814,362	13,814,362	
Other Local Governmental Units	100,000		100,000		(100,000)
Tuition from Summer School	13,050		13,050	11,040	(2,010)
Unrestricted Miscellaneous Revenues	3,450		3,450	35,653	32,203
<b>Total - Local Sources</b>	<b>13,930,862</b>		<b>13,930,862</b>	<b>13,861,055</b>	<b>(69,807)</b>
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				136,294	136,294
Other State Aids	463,525	(428,905)	34,620	200,708	166,088
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				627,691	627,691
On-behalf TPAF Pension (non-budgeted)				502,138	502,138
On-behalf TPAF NCGI Premium (non-budgeted)				25,013	25,013
Reimbursed TPAF Social Security Contributions (non-budgeted)				526,747	526,747
<b>Total - State Sources</b>	<b>7,393,649</b>		<b>7,393,649</b>	<b>9,377,620</b>	<b>1,983,971</b>
Revenues from Federal Sources:					
Special Education Medicaid Initiative	48,308	(10,003)	38,305	39,717	1,412
MAC		10,003	10,003	6,888	(3,115)
<b>Total - Federal Sources</b>	<b>48,308</b>		<b>48,308</b>	<b>46,605</b>	<b>(1,703)</b>
<b>TOTAL REVENUES</b>	<b>21,372,819</b>		<b>21,372,819</b>	<b>23,285,280</b>	<b>1,912,461</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool - Salaries of Teachers	126,007	(4,900)	121,107	120,045	1,062
Kindergarten - Salaries of Teachers	284,822	8,184	293,006	292,894	112
Grades 1-5 - Salaries of Teachers	1,567,224	102,003	1,669,227	1,643,526	25,701
Grades 6-8 - Salaries of Teachers	1,128,256	12,758	1,141,014	1,139,962	1,052
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	10,500	13,535	24,035	23,023	1,012
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	169,472	(37,000)	132,472	131,729	743
Purchased Professional - Educational Services		5,509	5,509	5,454	55
Other Purchased Services (400-500 series)	71,447	(13,795)	57,652	57,487	165
General Supplies	270,712	(19,716)	250,996	208,442	42,554
Textbooks	45,774	39,250	85,024	84,634	390
Other Objects	79,404	17,100	96,504	90,221	6,283
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>3,753,618</b>	<b>122,928</b>	<b>3,876,546</b>	<b>3,797,417</b>	<b>79,129</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	345,024	(31,827)	313,197	312,913	284
Other Salaries for Instruction	65,007	88,020	153,027	152,432	595
General Supplies	3,299	12,039	15,338	7,733	7,605
Textbooks	3,500	(2,734)	766	602	164
Other Objects	1,000		1,000	766	234
<b>Total Learning and/or Language Disabilities</b>	<b>417,830</b>	<b>65,498</b>	<b>483,328</b>	<b>474,446</b>	<b>8,882</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	621,231	20,902	642,133	642,092	41
General Supplies	2,000	1,270	3,270	2,767	503
Textbooks	2,500	(1,200)	1,300	1,025	275
Other Objects	1,000	400	1,400	1,374	26
<b>Total Resource Room/Resource Center</b>	<b>626,731</b>	<b>21,372</b>	<b>648,103</b>	<b>647,258</b>	<b>845</b>
<b>Autism:</b>					
Salaries of Teachers	51,114	(576)	50,538	49,795	743
Other Salaries for Instruction	53,571	(44,488)	9,083	9,035	48
General Supplies	2,000	(1,700)	300	296	4
<b>Total Autism</b>	<b>106,685</b>	<b>(46,764)</b>	<b>59,921</b>	<b>59,126</b>	<b>795</b>
<b>Preschool Disabilities- Full-Time:</b>					
Salaries of Teachers	161,781	(4,161)	157,620	157,620	
Other Salaries for Instruction	24,841	26,975	51,816	51,806	10
General Supplies	4,000	(3,003)	997	996	1
Other Objects	2,000	(441)	1,559		1,559
<b>Total Preschool Disabilities - Full-Time</b>	<b>192,622</b>	<b>19,370</b>	<b>211,992</b>	<b>210,422</b>	<b>1,570</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>1,343,868</b>	<b>59,476</b>	<b>1,403,344</b>	<b>1,391,252</b>	<b>12,092</b>

**FAIRVIEW BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	406,820	(162,771)	244,049	243,850	199
General Supplies	2,000	321	2,321	2,314	7
Textbooks	500	(500)			
Other Objects	500	(500)			
<b>Total Basic Skills/Remedial - Instruction</b>	<u>409,820</u>	<u>(163,450)</u>	<u>246,370</u>	<u>246,164</u>	<u>206</u>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	418,886	23,265	442,151	442,146	5
Other Salaries for Instruction	20,866	(7,924)	12,942	12,613	329
General Supplies	1,654	2,589	4,243	4,150	93
Textbooks	12,014	(1,000)	11,014	10,925	89
Other Objects	500	(500)			
<b>Total Bilingual Education - Instruction</b>	<u>453,920</u>	<u>16,430</u>	<u>470,350</u>	<u>469,834</u>	<u>516</u>
<b>School-Sponsored Co/Extra Curricular Activities - Instruction</b>					
Salaries	20,977	(4,190)	16,787	15,400	1,387
Supplies and Materials	2,000		2,000	284	1,716
<b>Total School-Sponsored Co/Extra Curricular Activities - Instruction</b>	<u>22,977</u>	<u>(4,190)</u>	<u>18,787</u>	<u>15,684</u>	<u>3,103</u>
<b>School-Sponsored Athletics - Instruction</b>					
Salaries	15,480	4,403	19,883	19,883	
Supplies and Materials	2,500	(213)	2,287	1,998	289
<b>Total School-Sponsored Athletics - Instruction</b>	<u>17,980</u>	<u>4,190</u>	<u>22,170</u>	<u>21,881</u>	<u>289</u>
<b>TOTAL INSTRUCTION</b>	<u>6,002,183</u>	<u>35,384</u>	<u>6,037,567</u>	<u>5,942,232</u>	<u>95,335</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular	5,581,750	333,575	5,915,325	5,908,667	6,658
Tuition to Other LEAs Within the State - Special	1,602,588	(329,316)	1,273,272	1,270,347	2,925
Tuition to County Voc. School Dist. - Regular	104,760	12,305	117,065	117,065	
Tuition to County Voc. School Dist. - Special	52,800	9,695	62,495	52,320	10,175
Tuition to CSSD & Regional Day Schools	818,603	(57,926)	760,677	746,220	14,457
Tuition to Private Schools for the Handicapped - Within State	152,430	53,792	206,222	197,279	8,943
<b>Total Undistributed Expenditures - Instruction:</b>	<u>8,312,931</u>	<u>22,125</u>	<u>8,335,056</u>	<u>8,291,898</u>	<u>43,158</u>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	169,096	425	169,521	169,520	1
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<u>169,096</u>	<u>425</u>	<u>169,521</u>	<u>169,520</u>	<u>1</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	188,842	(25,936)	162,906	161,000	1,906
Purchased Professional and Technical Services	15,000	50,290	65,290	58,487	6,803
Supplies and Materials	8,475	477	8,952	6,363	2,589
<b>Total Undistributed Expenditures - Health Services</b>	<u>212,317</u>	<u>24,831</u>	<u>237,148</u>	<u>225,850</u>	<u>11,298</u>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Svcs.</b>					
Salaries	217,248	54,552	271,800	270,620	1,180
Purchased Prof. Services-Educational Services	185,000	42,000	227,000	222,180	4,820
Supplies and Materials	500	(2)	498	359	139
<b>Total Undist. Expend. - Speech, OT, PT, &amp; Related Svcs</b>	<u>402,748</u>	<u>96,550</u>	<u>499,298</u>	<u>493,159</u>	<u>6,139</u>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	381,015	(9,278)	371,737	367,048	4,689
Salaries of Secretarial and Clerical Assistants	97,233		97,233	95,708	1,525
<b>Total Undist. Expend. - Child Study Teams</b>	<u>478,248</u>	<u>(9,278)</u>	<u>468,970</u>	<u>462,756</u>	<u>6,214</u>
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	27,500	26,000	53,500	52,195	1,305
Supplies and Materials	1,500		1,500		1,500
Other Objects	1,000		1,000		1,000
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<u>30,000</u>	<u>26,000</u>	<u>56,000</u>	<u>52,195</u>	<u>3,805</u>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Purchased Professional - Educational Services	3,500		3,500	1,778	1,722
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<u>3,500</u>		<u>3,500</u>	<u>1,778</u>	<u>1,722</u>



**FAIRVIEW BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	356,065	(140,895)	215,170	197,571	17,599
Legal Services	51,632	729	52,361	52,361	
Audit Fees	81,000		81,000	32,000	49,000
Architectural/Engineering Services	25,000		25,000	18,627	6,373
Purchased Technical Services	15,000	5,331	20,331	20,331	
Communications/Telephone	15,500	7,200	22,700	20,573	2,127
Other Purch Services (400-500 Series)	144,318	3,535	147,853	141,854	5,999
General Supplies	8,053	23,700	31,753	31,437	316
Misc. Expenditures	22,000	(10,200)	11,800	4,767	7,033
BOE Membership Dues and Fees	9,800		9,800	9,189	611
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<b>728,368</b>	<b>(110,600)</b>	<b>617,768</b>	<b>528,710</b>	<b>89,058</b>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	374,301	54,599	428,900	428,900	
Salaries of Secretarial and Clerical Assistants	200,032		200,032	187,320	12,712
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>574,333</b>	<b>54,599</b>	<b>628,932</b>	<b>616,220</b>	<b>12,712</b>
<b>Undist. Expend. - Support Serv. - Central Services</b>					
Salaries	445,030	9,685	454,715	450,017	4,698
Supplies and Materials	26,000	(1,000)	25,000	22,127	2,873
Misc. Expenditures	25,000		25,000	25,000	
<b>Total Undist. Expend. - Support Serv. - Central Services</b>	<b>496,030</b>	<b>8,685</b>	<b>504,715</b>	<b>497,144</b>	<b>7,571</b>
<b>Undist. Expend. - Admin Info. Technology</b>					
<b>Information Technology</b>					
Salaries	37,425		37,425	37,425	
Other Purch Services (400-500 Series)	15,000	(3,685)	11,315	11,314	1
<b>Total Undist. Expend. - Support Serv. - Administrative Information Technology</b>	<b>52,425</b>	<b>(3,685)</b>	<b>48,740</b>	<b>48,739</b>	<b>1</b>
<b>Undist. Expend. - Required Maint. for School Facilities (261)</b>					
Salaries	64,500	(1,478)	63,022	63,022	
Cleaning, Repair and Maintenance Services	52,000	(3,969)	48,031	45,678	2,353
General Supplies	20,000	5,669	25,669	23,172	2,497
<b>Undist. Expend. - Required Maint. for School Facilities</b>	<b>136,500</b>	<b>222</b>	<b>136,722</b>	<b>131,872</b>	<b>4,850</b>
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant (262)</b>					
Salaries	500,485	(10,122)	490,363	485,651	4,712
Purchased Prof. And Tech. Services	3,500	(400)	3,100	2,488	612
Cleaning, Repair and Maintenance Services	131,697	(6,527)	125,170	118,645	6,525
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt.	153,950		153,950	153,636	314
Other Purchased Property Services	13,000		13,000	12,811	189
Miscellaneous Purchased Services	63,213	37,501	100,714	98,912	1,802
General Supplies	66,197	(8,899)	57,298	48,166	9,132
Energy (Gas)	22,783	19,140	41,923	40,216	1,707
Energy (Electricity)	93,387	76,959	170,346	170,221	125
Energy (Natural Gas)	151,175	(127,700)	23,475	12,787	10,688
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<b>1,199,387</b>	<b>(20,048)</b>	<b>1,179,339</b>	<b>1,143,533</b>	<b>35,806</b>
<b>Undist. Expend. - Security</b>					
Salaries	136,660	2,227	138,887	138,826	61
Other Objects	800		800	800	
<b>Total Undist. Expend. - Security</b>	<b>137,460</b>	<b>2,227</b>	<b>139,687</b>	<b>138,826</b>	<b>861</b>
<b>Undist. Expend. - Student Transportation Services (270)</b>					
Salaries for Pupil Trans (Bet. Home & Sch.) - Regular	78,132	(55,728)	22,404	17,067	5,337
Salaries for Pupil Trans (Bet. Home & Sch.) - Sp Ed	115,473	57,528	173,001	167,860	5,141
Salaries for Pupil Trans (Other than Bet. Home & Sch. )	15,000	(10,515)	4,485	4,485	
Cleaning, Repair and Maintenance Services	14,000	5	14,005	13,488	517
Contract Services (Between Home & School)-Vendors	57,000	137,577	194,577	179,675	14,902
Contract Services (Sp. Ed. Students)-Vendors	7,500	36,679	44,179	24,023	20,156
Miscellaneous Purchased Services - Transportation		611	611	611	
General Supplies	11,000	4,993	15,993	15,816	177
Miscellaneous Expenditures		450	450	425	25
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>298,105</b>	<b>171,600</b>	<b>469,705</b>	<b>418,965</b>	<b>50,740</b>

**FAIRVIEW BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2016**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	163,000	3,017	166,017	166,017	
T.P.A.F. Contributions - ERIP	80,925	(57,989)	22,936		22,936
Other Retirement Contributions-PERS	195,000		195,000	184,487	10,513
Unemployment Compensation	32,000	4,972	36,972	36,972	
Workmen's Compensation	148,000	(3,308)	144,692	115,162	29,530
Health Benefits	2,235,954	(249,037)	1,986,917	1,886,061	100,856
Other Employee Benefits	136,612	3,308	139,920	137,397	2,523
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>2,991,491</u>	<u>(299,037)</u>	<u>2,692,454</u>	<u>2,526,096</u>	<u>166,358</u>
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				627,691	(627,691)
On-behalf TPAF Pension (non-budgeted)				502,138	(502,138)
On-behalf TPAF NCGI Premium (non-budgeted)				25,013	(25,013)
Reimbursed TPAF Social Security Contributions (non-budgeted)				526,747	(526,747)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>1,681,589</u>	<u>(1,681,589)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>2,991,491</u>	<u>(299,037)</u>	<u>2,692,454</u>	<u>4,207,685</u>	<u>(1,515,231)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>16,222,939</u>	<u>(35,384)</u>	<u>16,187,555</u>	<u>17,428,850</u>	<u>(1,241,295)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>22,225,122</u>		<u>22,225,122</u>	<u>23,371,082</u>	<u>(1,145,960)</u>
<b>CAPITAL OUTLAY</b>					
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>					
Various Equipment				34,221	(34,221)
<b>Total Assets Acquired Under Capital Leases (non-budgeted)</b>				<u>34,221</u>	<u>(34,221)</u>
<b>TOTAL CAPITAL OUTLAY</b>				<u>34,221</u>	<u>(34,221)</u>
<b>SPECIAL SCHOOLS</b>					
<b>Summer School - Instruction</b>					
Salaries of Teachers	21,000		21,000	18,118	2,882
<b>Total Summer School - Instruction</b>	<u>21,000</u>		<u>21,000</u>	<u>18,118</u>	<u>2,882</u>
<b>Total Post Secondary Programs</b>	<u>21,000</u>		<u>21,000</u>	<u>18,118</u>	<u>2,882</u>
<b>TOTAL SPECIAL SCHOOLS</b>	<u>21,000</u>		<u>21,000</u>	<u>18,118</u>	<u>2,882</u>
<b>TOTAL EXPENDITURES</b>	<u>22,246,122</u>		<u>22,246,122</u>	<u>23,423,421</u>	<u>(1,177,299)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(873,303)</u>		<u>(873,303)</u>	<u>(138,141)</u>	<u>735,162</u>
<b>Other Financing Sources/(Uses):</b>					
Capital Leases (non-budgeted)				34,221	(34,221)
Operating Transfers Out:					
Transfers to Cover Deficit (Enterprise Fund)	(12,000)		(12,000)	(3,476)	(8,524)
<b>Total Other Financing Sources/(Uses):</b>	<u>(12,000)</u>		<u>(12,000)</u>	<u>30,745</u>	<u>(42,745)</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>(885,303)</u>		<u>(885,303)</u>	<u>(107,396)</u>	<u>777,907</u>
<b>Fund Balance, July 1</b>	2,276,860		2,276,860	2,276,860	
<b>Fund Balance, June 30</b>	<u>1,391,557</u>		<u>1,391,557</u>	<u>2,169,464</u>	<u>777,907</u>

**FAIRVIEW BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Adjustment for Prior Year Encumbrances	(191,890)		(191,890)	(191,890)	
Increase in Tuition Reserve				200,000	(200,000)
Withdrawal from Tuition Reserve - for Tuition Adj.	(39,695)		(39,695)	(39,695)	
Withdrawal from Tuition Reserve - Excess over Adj.	(160,305)		(160,305)	(160,305)	
Withdrawal from Capital Reserve					
<b>Budgeted Fund Balance</b>	<u>(493,413)</u>		<u>(493,413)</u>	<u>84,494</u>	<u>977,907</u>
	<u>(885,303)</u>		<u>(885,303)</u>	<u>(107,396)</u>	<u>777,907</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus - Current Year				286,074	
Excess Surplus - Designated for Subsequent Year's Expenditures				145,633	
Tuition Reserve - Designated for Subsequent Year's Budget				400,000	
Tuition Reserve				200,000	
Capital Reserve				42,300	
<b>Assigned Fund Balance:</b>					
Year-end Encumbrances				147,340	
Designated for Subsequent Year's Expenditures				377,671	
Unassigned Fund Balance				<u>570,446</u>	
<b>Total Fund Balance per Governmental Funds (Budgetary)</b>				2,169,464	
<b>Recapitulation to Governmental Fund Statement (GAAP):</b>					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>656,141</u>	
<b>Total Fund Balance per Governmental Funds (GAAP)</b>				<u><u>1,513,323</u></u>	

**FAIRVIEW BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		6,063	6,063	6,063	-
State Sources	336,366	9,471	345,837	321,152	24,685
Federal Sources	1,375,908	197,989	1,573,897	1,496,383	77,514
<b>Total Revenues</b>	<b>1,712,274</b>	<b>213,523</b>	<b>1,925,797</b>	<b>1,823,598</b>	<b>102,199</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	769,940	(13,616)	756,324	752,565	3,759
Other Salaries for Instruction	9,000	-	9,000	9,000	-
Purchased Professional and Technical Services	183,560	3,978	187,538	163,736	23,802
Other Purchased Services (400-500 series)	310,303	11,077	321,380	321,380	-
General Supplies	15,500	5,761	21,261	21,141	120
Textbooks	17,934	(176)	17,758	17,718	40
<b>Total instruction</b>	<b>1,306,237</b>	<b>7,024</b>	<b>1,313,261</b>	<b>1,285,540</b>	<b>27,721</b>
<b>Support services:</b>					
Salaries of Supervisors of Instruction	6,000	-	6,000	6,000	-
Salaries of Program Directors	20,000	-	20,000	20,000	-
Salaries of Other Professional Staff	24,616	24,459	49,075	30,018	19,057
Salaries of Secretarial and Clerical Assistants	22,879	17,634	40,513	17,477	23,036
Personal Services - Employee Benefits	175,521	127,014	302,535	299,071	3,464
Purchased Professional - Educational Services		5,429	5,429	5,429	-
Other Purchased Professional Services	132,284	10,773	143,057	115,958	27,099
Other Purchased Services (400-500 series)	5,562	6,192	11,754	10,850	904
Supplies & Materials	9,543	2,706	12,249	12,174	75
<b>Total support services</b>	<b>396,405</b>	<b>194,207</b>	<b>590,612</b>	<b>516,977</b>	<b>73,635</b>
<b>Facilities acquisition and const. serv.:</b>					
Instructional Equipment	9,632	12,292	21,924	21,081	843
<b>Total facilities acquisition and const. serv.</b>	<b>9,632</b>	<b>12,292</b>	<b>21,924</b>	<b>21,081</b>	<b>843</b>
Total Expenditures	1,712,274	213,523	1,925,797	1,823,598	102,199
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					

**FAIRVIEW BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information - Part II**  
**Fiscal Year Ended June 30, 2016**

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

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	23,285,280	1,823,598
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			6,123
Current Year			(12,355)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		696,845	
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).		(656,141)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	23,325,984	1,817,366
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	23,423,421	1,823,598
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			6,123
Current Year			(12,355)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	23,423,421	1,817,366

**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\**

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0209452961%	\$ 3,921,532	\$ 1,500,065	261.42%	52.08%
2016	0.0203038900%	\$ 4,557,816	\$ 1,512,860	301.27%	94.63%

\* 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\**

Fiscal Year Ending June 30,	Contractually	Contributions in		Contribution Deficiency (Excess)	District's PERS	Contributions as a Percentage of PERS Covered- Employee Payroll
	Required Contribution	Contractually Required Contributions	Relations to the Contractually Required Contributions		Covered- Employee Payroll	
2015	172,670	(172,670)	-	1,500,065	11.51%	
2016	174,559	(174,559)	-	1,512,860	11.54%	

\* 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\**

Fiscal Year Ending June 30,	District's	District's	State's	District's	District's
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Share of the Net Pension Liability Associated with the District (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll
2015	0.0615708528%	\$ -	32,907,617	7,238,331	0.00%
2016	0.0645746143%	\$ -	40,813,914	7,295,907	0.00%

\* 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, 2016**

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 (4.29%) to the current measurement date (3.80%), resulting in a change in the discount rate from 5.39% to 4.90%. 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 (4.29%) to the current measurement date (3.80%), resulting in a change in the discount rate from 4.68% to 4.13%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

## **Supplementary Schedules**

**SPECIAL REVENUE FUND**

**FAIRVIEW BOARD OF EDUCATION**  
**Special Revenue Fund**

**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2016**

	<b>Total Brought Forward (Ex. E-1a)</b>	<b>NJSBSafety Grant</b>	<b>IDEA Part - B</b>	<b>IDEA Part - B Preschool</b>	<b>NCLB Title I</b>	<b>Title II, Part A Training &amp; Recruiting</b>	<b>Totals 2016</b>
<b>REVENUES</b>							
Local Sources	-	6,063					6,063
State Sources	321,152						321,152
Federal Sources	70,738		390,795	9,284	965,914	59,652	1,496,383
<b>Total Revenues</b>	<b>391,890</b>	<b>6,063</b>	<b>390,795</b>	<b>9,284</b>	<b>965,914</b>	<b>59,652</b>	<b>1,823,598</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	93,495				659,070		752,565
Other Salaries for Instruction	9,000						9,000
Purchased Professional and Technical Services	163,736						163,736
Other Purchased Services (400-500 series)	-		312,473	8,907			321,380
General Supplies	11,631		169		9,341		21,141
Textbooks	17,718						17,718
<b>Total instruction</b>	<b>295,580</b>	<b>-</b>	<b>312,642</b>	<b>8,907</b>	<b>668,411</b>	<b>-</b>	<b>1,285,540</b>
<b>Support services:</b>							
Salaries of Supervisors of Instruction	6,000						6,000
Salaries of Program Directors	20,000						20,000
Salaries of Other Professional Staff	5,402		24,616				30,018
Salaries of Secretarial and Clerical Assistants	-		17,477				17,477
Personal Services - Employee Benefits	19,414		3,220		276,437		299,071
Purchased Professional - Educational Services	-		5,429				5,429
Other Purchased Professional Services	27,990			377	11,000	49,180	115,958
Other Purchased Services (400-500 series)	378		27,411			10,472	10,850
Supplies & Materials	2,108				10,066		12,174
<b>Total support services</b>	<b>81,292</b>	<b>-</b>	<b>78,153</b>	<b>377</b>	<b>297,503</b>	<b>59,652</b>	<b>516,977</b>
<b>Facilities acquisition and const. serv.:</b>							
Instructional Equipment	15,018						15,018
<b>Total facilities acquisition and const. serv.</b>	<b>15,018</b>	<b>6,063</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,081</b>
<b>Total Expenditures</b>	<b>391,890</b>	<b>6,063</b>	<b>390,795</b>	<b>9,284</b>	<b>965,914</b>	<b>59,652</b>	<b>1,823,598</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**FAIRVIEW BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2016

	Total Brought Forward (Ex. E-1b)	NCLB Title III	NCLB Title III Immigrant	Nonpublic Nursing	Nonpublic Technology	Chapter 194 Nonpublic Textbook	Total Carried Forward
<b>REVENUES</b>							
Local Sources	-						-
State Sources	268,201	59,517	11,221	27,990	7,243	17,718	321,152
Federal Sources	-						70,738
<b>Total Revenues</b>	<b>268,201</b>	<b>59,517</b>	<b>11,221</b>	<b>27,990</b>	<b>7,243</b>	<b>17,718</b>	<b>391,890</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	44,000	40,000	9,495				93,495
Other Salaries for Instruction	9,000						9,000
Purchased Professional and Technical Services	163,736						163,736
Other Purchased Services (400-500 series)	-						-
General Supplies	4,000	6,631	1,000				11,631
Textbooks	-					17,718	17,718
<b>Total instruction</b>	<b>220,736</b>	<b>46,631</b>	<b>10,495</b>	<b>-</b>	<b>-</b>	<b>17,718</b>	<b>295,580</b>
<b>Support services:</b>							
Salaries of Supervisors of Instruction	6,000						6,000
Salaries of Program Directors	20,000						20,000
Salaries of Other Professional Staff	5,402						5,402
Salaries of Secretarial and Clerical Assistants	-	10,400	726				19,414
Personal Services - Employee Benefits	-						-
Purchased Professional - Educational Services	-			27,990			27,990
Other Purchased Professional Services	-	378					378
Other Purchased Services (400-500 series)	-	2,108					2,108
Supplies & Materials	-						-
<b>Total support services</b>	<b>39,690</b>	<b>12,886</b>	<b>726</b>	<b>27,990</b>	<b>-</b>	<b>-</b>	<b>81,292</b>
<b>Facilities acquisition and const. serv.:</b>							
Instructional Equipment	7,775				7,243		15,018
<b>Total facilities acquisition and const. serv.</b>	<b>7,775</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,243</b>	<b>-</b>	<b>15,018</b>
<b>Total Expenditures</b>	<b>268,201</b>	<b>59,517</b>	<b>11,221</b>	<b>27,990</b>	<b>7,243</b>	<b>17,718</b>	<b>391,890</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**FAIRVIEW BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2016

	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
<b>REVENUES</b>							
Local Sources							
State Sources	113,706	12,682	9,876	11,085	16,387	96,690	268,201
Federal Sources							
<b>Total Revenues</b>	<b>113,706</b>	<b>12,682</b>	<b>9,876</b>	<b>11,085</b>	<b>16,387</b>	<b>96,690</b>	<b>268,201</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers						44,000	44,000
Other Salaries for Instruction						9,000	9,000
Purchased Professional and Technical Services	113,706	12,682	9,876	11,085	16,387		163,736
Other Purchased Services (400-500 series)							
General Supplies						4,000	4,000
Textbooks							
<b>Total instruction</b>	<b>113,706</b>	<b>12,682</b>	<b>9,876</b>	<b>11,085</b>	<b>16,387</b>	<b>57,000</b>	<b>220,736</b>
<b>Support services:</b>							
Salaries of Supervisors of Instruction						6,000	6,000
Salaries of Program Directors						20,000	20,000
Salaries of Other Professional Staff						5,402	5,402
Salaries of Secretarial and Clerical Assistants						8,288	8,288
Personal Services - Employee Benefits							
Purchased Professional - Educational Services							
Other Purchased Professional Services							
Other Purchased Services (400-500 series)							
Supplies & Materials							
<b>Total support services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,690</b>	<b>39,690</b>
<b>Facilities acquisition and const. serv.:</b>							
Instructional Equipment							7,775
<b>Total facilities acquisition and const. serv.</b>	<b>7,775</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,775</b>
<b>Total Expenditures</b>	<b>113,706</b>	<b>12,682</b>	<b>9,876</b>	<b>11,085</b>	<b>16,387</b>	<b>96,690</b>	<b>268,201</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**FAIRVIEW BOARD OF EDUCATION  
Special Revenue Fund  
Schedule of Preschool Education Aid  
Budgetary Basis  
Fiscal Year Ended June 30, 2016**

	<b>District Wide Total</b>		
	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	44,000	44,000	
Other salaries for instruction	9,000	9,000	
General supplies	4,000	4,000	
	57,000	57,000	
<b>Total instruction</b>	<b>57,000</b>	<b>57,000</b>	
<b>Support services:</b>			
Salaries of Supervisors of Instruction	6,000	6,000	
Salaries of Program Directors	20,000	20,000	
Salaries of Secr. and Clerical Assistants	5,402	5,402	
Personal Services - Employee Benefits	8,288	8,288	
	39,690	39,690	
<b>Total support services</b>	<b>39,690</b>	<b>39,690</b>	
<b>Total expenditures</b>	<b>96,690</b>	<b>96,690</b>	

**Summary of Location Totals**

Total revised 2015-16 Preschool Education Aid	96,690
Add: Actual Carryover (June 30, 2015)	132
Add: Budgeted Transfer from the General Fund 2015-16	
Total Preschool Education Aid Funds Available for 2015-16 Budget	96,822
Less: 2014-15 Budgeted Preschool Education Aid prior year budgeted carryover)	96,690
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2016	132
Add: June 30, 2015 Unexpended Preschool Education Aid 2014-15 Carryover - Preschool Education Aid/Preschool	132
2014-15 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015-16	



**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, 2016**

**Revenues and Other Financing Sources**

State Sources - SCC Grant	-
Bond proceeds and transfers	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
	-

**Expenditures and Other Financing Uses**

Purchased professional and technical services	-
Land and improvements	-
Construction services	516,026
Equipment purchases	-
	-

Total expenditures	516,026
--------------------	---------

Excess (deficiency) of revenues over (under) expenditures	(516,026)
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Net change in fund balance	(516,026)
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Fund balance - beginning	757,305
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Fund balance - ending	241,279
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**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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	
Bond proceeds and transfers			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay	399,000		399,000	399,000
	<u>399,000</u>	<u>-</u>	<u>399,000</u>	<u>399,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services		395,550	395,550	399,000
Equipment purchases			-	
	<u>-</u>	<u>395,550</u>	<u>395,550</u>	<u>399,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>399,000</u>	<u>(395,550)</u>	<u>3,450</u>	<u>-</u>
<b>Additional project information:</b>				
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	99%			
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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
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
	<u>758,358</u>	<u>-</u>	<u>758,358</u>	<u>758,358</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	444,163	100,237	544,400	758,358
Equipment purchases			-	
	<u>444,163</u>	<u>100,237</u>	<u>544,400</u>	<u>758,358</u>
Excess (deficiency) of revenues over (under) expenditures	<u>314,195</u>	<u>(100,237)</u>	<u>213,958</u>	<u>-</u>
<b>Additional project information:</b>				
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	72%			
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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	
Bond proceeds and transfers			-	
Transfers from Capital Reserve	291,300		291,300	291,300
Transfers from Capital Outlay			-	
	<u>291,300</u>	<u>-</u>	<u>291,300</u>	<u>291,300</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	247,190	20,239	267,429	291,300
Equipment purchases			-	
	<u>247,190</u>	<u>20,239</u>	<u>267,429</u>	<u>291,300</u>
Excess (deficiency) of revenues over (under) expenditures	<u>44,110</u>	<u>(20,239)</u>	<u>23,871</u>	<u>-</u>
<b>Additional project information:</b>				
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		92%		
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, 2016**

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2016
			Prior Years	Current Year	
Lincoln School Bathroom Renovations	2014-2015	399,000		395,550	3,450
Lincoln School Window Replacement	2014-2015	758,358	444,163	100,237	213,958
Lincoln School Roof Replacement	2014-2015	291,300	247,190	20,239	23,871
		<u>1,448,658</u>	<u>691,353</u>	<u>516,026</u>	<u>241,279</u>

**PROPRIETARY FUNDS**

**FAIRVIEW BOARD OF EDUCATION  
Combining Statement of Net Position  
Enterprise Funds  
June 30, 2016**

	<u>Food Service Program</u>	<u>Totals</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	28,397	28,397
Interfund receivable	34,306	
Accounts receivable:		
State	408	408
Federal	24,839	24,839
Total current assets	87,950	53,644
Noncurrent assets:		
Capital assets:		
Equipment	63,070	63,070
Less accumulated depreciation	(53,749)	(53,749)
Total capital assets (net of accumulated depreciation)	9,321	9,321
Total assets	97,271	62,965
 <b>NET POSITION</b>		
Net Investment in Capital Assets	9,321	9,321
Unrestricted	87,950	87,950
Total net position	97,271	97,271



**FAIRVIEW BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2016**

	<b>Food Service Program</b>	<b>Totals</b>
Operating revenues:		
Charges for services:		
Daily sales	20,278	20,278
Total operating revenues	20,278	20,278
 Operating expenses:		
Cost of food	292,564	292,564
Depreciation	4,061	4,061
Total Operating Expenses	296,625	296,625
Operating income (loss)	(276,347)	(276,347)
 Nonoperating revenues (expenses):		
State sources:		
School lunch program	4,797	4,797
Federal sources:		
School lunch program	260,076	260,076
School breakfast program	32,949	32,949
Interest Income	59	59
Total nonoperating revenues (expenses)	297,881	297,881
Income (loss) before contributions & transfers	21,534	21,534
 Other financing sources/(uses):		
Transfer In	3,476	3,476
Change in net position	25,010	25,010
 Total net position—beginning	72,261	72,261
Total net position—ending	97,271	97,271

**FAIRVIEW BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2016**

	<b>Food Service Program</b>	<b>Totals</b>
	<u>          </u>	<u>          </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	20,278	20,278
Payments to suppliers	<u>(292,564)</u>	<u>(292,564)</u>
Net cash provided by (used for) operating activities	<u>(272,286)</u>	<u>(272,286)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	4,494	4,494
Federal Sources	264,241	264,241
Transfer In	<u>3,476</u>	<u>3,476</u>
Net cash provided by (used for) non-capital financing activities	<u>272,211</u>	<u>272,211</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends	<u>59</u>	<u>59</u>
Net cash provided by (used for) investing activities	<u>59</u>	<u>59</u>
Net increase (decrease) in cash and cash equivalents	<u>(16)</u>	<u>(16)</u>
Balances—beginning of year	<u>28,413</u>	<u>28,413</u>
Balances—end of year	<u>28,397</u>	<u>28,397</u>
<b>Reconciliation of operating income (loss) to net cash provided</b>		
<b>(used) by operating activities:</b>		
Operating income (loss)	(276,347)	(276,347)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	<u>4,061</u>	<u>4,061</u>
Total adjustments	<u>4,061</u>	<u>4,061</u>
Net cash provided by (used for) operating activities	<u>(272,286)</u>	<u>(272,286)</u>

**FIDUCIARY FUND**

**FAIRVIEW BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2016**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	293,982
Total assets	<u>293,982</u>
<b>LIABILITIES</b>	
Payable to student groups	16,671
Payroll deductions and withholdings	277,303
Region VI Fund	<u>8</u>
Total liabilities	<u><u>293,982</u></u>

**FAIRVIEW BOARD OF EDUCATION  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
Fiscal Year Ended June 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2016</u>
Elementary Schools:				
Lincoln School	<u>17,725</u>	<u>69,786</u>	<u>70,840</u>	<u>16,671</u>
Total Elementary Schools	<u>17,725</u>	<u>69,786</u>	<u>70,840</u>	<u>16,671</u>
Total All Schools	<u><u>17,725</u></u>	<u><u>69,786</u></u>	<u><u>70,840</u></u>	<u><u>16,671</u></u>

**FAIRVIEW BOARD OF EDUCATION  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
Fiscal Year Ended June 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2016</u>
Net Payroll	164,217	9,740,578	9,720,305	184,490
Payroll Deductions and Withholdings	91,245	5,501,592	5,500,024	92,813
	<u>255,462</u>	<u>15,242,170</u>	<u>15,220,329</u>	<u>277,303</u>

**FAIRVIEW BOARD OF EDUCATION  
Region VI Agency Fund  
Schedule of Receipts and Disbursements  
Fiscal Year Ended June 30, 2016**

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2015</u>
Region VI Fund	<u>1,935</u>	<u>3,147</u>	<u>5,074</u>	<u>8</u>
Total Region VI Fund	<u><u>1,935</u></u>	<u><u>3,147</u></u>	<u><u>5,074</u></u>	<u><u>8</u></u>

**LONG-TERM DEBT**



**FAIRVIEW BOARD OF EDUCATION**  
**General Long-Term Debt Account Group**  
**Schedule of Serial Bonds**  
**Fiscal Year Ended June 30, 2016**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>				
Pension Refunding Bonds	Oct. 1, 2003	800,000	10/1/2016	75,000	5.75%	225,000	70,000	155,000
			10/1/2017	80,000	5.75%			
						\$ 225,000	70,000	155,000

**FAIRVIEW BOARD OF EDUCATION**  
**General Long-Term Debt Account Group**  
**Schedule of Capital Leases Payable**  
**Fiscal Year Ended June 30, 2016**

Issue	Date of Lease	Amount of Lease	Principal Payment		Interest Rate	Balance, June 30, 2015	Issued	Retired	Balance, June 30, 2016
			Date	Amount					
100 Apple iPads & Accessories	9/10/2014	53,305	7/15/2016	1,509	11.4%	42,975		17,036	25,939
			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%				
40 Apple iPads & Accessories			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%				
			7/15/2016	628	10.42%	20,027		7,124	12,903
			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, 2016**

Issue	Date of Lease	Amount of Lease	Principal Payment		Interest Rate	Balance, June 30, 2015	Issued	Retired	Balance, June 30, 2016
			Date	Amount					
iPad Accessories	12/19/2014	37,008	7/15/2016	1,012	9.64%	33,402		11,536	21,866
	8/15/2016	1,020	8/15/2016	1,020	9.64%				
	9/15/2016	1,029	9/15/2016	1,029	9.64%				
	10/15/2016	1,037	10/15/2016	1,037	9.64%				
	11/15/2016	1,045	11/15/2016	1,045	9.64%				
	12/15/2016	1,054	12/15/2016	1,054	9.64%				
	1/15/2017	1,062	1/15/2017	1,062	9.64%				
	2/15/2017	1,071	2/15/2017	1,071	9.64%				
	3/15/2017	1,079	3/15/2017	1,079	9.64%				
	4/15/2017	1,088	4/15/2017	1,088	9.64%				
	5/15/2017	1,097	5/15/2017	1,097	9.64%				
	6/15/2017	1,105	6/15/2017	1,105	9.64%				
	7/15/2017	1,114	7/15/2017	1,114	9.64%				
	8/15/2017	1,123	8/15/2017	1,123	9.64%				
	9/15/2017	1,132	9/15/2017	1,132	9.64%				
	10/15/2017	1,141	10/15/2017	1,141	9.64%				
11/15/2017	1,150	11/15/2017	1,150	9.64%					
12/15/2017	1,160	12/15/2017	1,160	9.64%					
1/15/2018	1,169	1/15/2018	1,169	9.64%					
2/15/2018	1,178	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, 2016**

Issue	Date of Lease	Amount of Lease	Principal Payment		Interest Rate	Balance, June 30, 2015	Issued	Retired	Balance, June 30, 2016
			Date	Amount					
iPad Accessories	1/23/2015	11,262	7/1/2016	304	11.24%	10,462		3,438	7,024
			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%					

**FAIRVIEW BOARD OF EDUCATION  
General Long-Term Debt Account Group  
Schedule of Capital Leases Payable  
Fiscal Year Ended June 30, 2016**

Issue	Date of Lease	Amount of Lease	Principal Payment		Interest Rate	Balance, June 30, 2015	Issued	Retired	Balance, June 30, 2016
			Date	Amount					
iPad Accessories	1/15/2016	34,221	7/15/2016	864	9.64%		34,221	5,042	29,179
			8/15/2016	871	9.64%				
			9/15/2016	878	9.64%				
			10/15/2016	885	9.64%				
			11/15/2016	892	9.64%				
			12/15/2016	899	9.64%				
			1/15/2017	907	9.64%				
			2/15/2017	914	9.64%				
			3/15/2017	921	9.64%				
			4/15/2017	929	9.64%				
			5/15/2017	936	9.64%				
			6/15/2017	943	9.64%				
			7/15/2017	951	9.64%				
			8/15/2017	959	9.64%				
			9/15/2017	966	9.64%				
			10/15/2017	974	9.64%				
		11/15/2017	982	9.64%					
		12/15/2017	990	9.64%					
		1/15/2018	998	9.64%					
		2/15/2018	1,006	9.64%					
		3/15/2018	1,014	9.64%					
		4/15/2018	1,022	9.64%					
		5/15/2018	1,030	9.64%					
		6/15/2018	1,039	9.64%					
		7/15/2018	1,047	9.64%					
		8/15/2018	1,055	9.64%					
		9/15/2018	1,064	9.64%					
		10/15/2018	1,072	9.64%					
		11/15/2018	1,081	9.64%					
		12/15/2018	1,090	9.64%					
						\$ 106,866	\$ 34,221	44,176	96,911

**FAIRVIEW BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	80,924		80,924	80,924	
Total Local Sources	80,924	-	80,924	80,924	-
<b>Total Revenues</b>	<b>80,924</b>	<b>-</b>	<b>80,924</b>	<b>80,924</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest - Pension Refunding Bonds	10,925		10,925	10,925	-
Redemption of Principal - Pension Refunding Bonds	70,000		70,000	70,000	-
Total Regular Debt Service	80,925	-	80,925	80,925	-
<b>Total expenditures</b>	<b>80,925</b>	<b>-</b>	<b>80,925</b>	<b>80,925</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	-	(1)	(1)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1)	-	(1)	(1)	-
Fund Balance, July 1	1	-	1	1	-
Fund Balance, June 30	-	-	-	-	-
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	(1)		(1)	(1)	-
Total	(1)	-	(1)	(1)	-

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

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# STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

## J SERIES

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<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> 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.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 to J-15</b>
<b>Operating Information</b> 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.	<b>J-16 to J-20</b>
<b>Sources:</b> 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)*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities</b>						Restated				
Net investment in capital assets	\$ 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	\$ 4,107,255
Restricted	650,002	670,002	420,001	520,001	520,003	1,072,003	1,547,555	2,567,177	2,430,542	1,840,297
Unrestricted	(895,136)	(1,058,814)	(1,531,910)	(1,741,474)	(1,333,196)	(740,638)	(416,505)	(685,892)	(4,226,336)	(4,367,207)
<b>Total governmental activities net assets/position</b>	<b>\$ 3,803,921</b>	<b>\$ 3,553,533</b>	<b>\$ 2,856,484</b>	<b>\$ 2,688,852</b>	<b>\$ 3,166,256</b>	<b>\$ 4,494,179</b>	<b>\$ 4,760,624</b>	<b>\$ 5,609,039</b>	<b>\$ 2,483,080</b>	<b>\$ 1,580,345</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 2,646	\$ 2,205	\$ 1,764	\$ 5,699	\$ 4,869	\$ 4,039	\$ 21,719	\$ 17,514	\$ 13,382	\$ 9,321
Restricted	40,229	38,860	13,974	4,828	11,809	25,851	32,370	47,235	58,879	87,950
Unrestricted	(42,875)	(41,065)	(15,738)	(10,527)	(16,678)	(29,890)	(54,089)	(64,749)	(72,261)	(97,271)
<b>Total business-type activities net assets/position</b>										
<b>District-wide</b>										
Net investment in capital assets	\$ 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	\$ 4,116,576
Restricted	650,002	670,002	420,001	520,001	520,003	1,072,003	1,547,555	2,567,177	2,430,542	1,840,297
Unrestricted	(854,907)	(1,019,954)	(1,517,936)	(1,736,646)	(1,321,387)	(714,787)	(384,135)	(638,657)	(4,167,457)	(4,279,257)
<b>Total district net assets/position</b>	<b>\$ 3,846,796</b>	<b>\$ 3,594,598</b>	<b>\$ 2,872,222</b>	<b>\$ 2,699,379</b>	<b>\$ 3,182,934</b>	<b>\$ 4,524,069</b>	<b>\$ 4,814,713</b>	<b>\$ 5,673,788</b>	<b>\$ 2,555,341</b>	<b>\$ 1,677,616</b>

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)*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 5,434,612
Special education	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	3,392,487
Other special education	909,259	842,326	1,090,300	916,763	961,057	814,909	823,416	1,000,664	903,934	1,079,531
Other instruction	41,988	49,326	50,781	49,329	47,425	41,813	41,975	40,468	55,423	55,925
Support Services:										
Tuition	1,367,511	1,664,902	1,654,223	1,956,145	1,899,435	7,731,156	8,369,482	7,212,821	7,632,695	8,291,898
Student & instruction related services	712,091	650,565	827,734	725,122	511,182	1,800,445	1,873,252	2,031,343	2,220,215	2,503,010
General administrative services	443,054	353,492	639,492	698,908	692,238	558,411	619,650	650,907	892,615	936,880
School administrative services	476,990	444,852	560,421	597,415	554,815	520,651	545,108	608,662	740,156	799,532
Central Administration	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	1,771,983
Plant operations and maintenance	305,124	348,583	262,222	233,296	234,660	186,349	218,119	365,833	394,459	515,194
Pupil transportation						1,061,662	1,008,799	1,267,932	1,488,287	1,831,028
Unallocated Benefits						21,000	21,000	21,000	21,000	18,118
Special Schools						11,981	12,164			
Charter Schools						46,099	27,540	21,128	15,561	9,883
Interest on long-term debt	111,035	100,419	88,595	73,251	61,444	366,131	412,071	322,405	245,381	249,241
Unallocated depreciation						2,000	2,333	2,333	2,333	2,333
Amortization & Capital Lease Obligations										
Capital Outlay - nondepreciable							12,109	5,480		565,265
Total governmental activities expenses	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	28,088,439
Business-type activities:										
Food service	235,645	265,350	304,344	348,674	353,781	365,909	368,995	389,471	329,670	296,625
Total business-type activities expense	235,645	265,350	304,344	348,674	353,781	365,909	368,995	389,471	329,670	296,625
Total district expenses	\$ 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	\$ 28,385,064
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Operating grants and contributions	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	1,802,348
Total governmental activities program revenues	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	1,802,348

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Business-type activities:</b>										
Charges for services										
Food service	35,696	30,020	30,389	29,370	41,095	42,373	32,968	31,041	10,005	20,278
Operating grants and contributions	191,820	231,878	245,642	302,184	311,107	334,173	333,015	362,183	317,090	297,822
Total business type activities program revenues	227,516	261,898	276,031	331,554	356,869	376,546	365,983	393,224	327,095	318,100
Total district program revenues	\$ 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	\$ 2,120,448
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (26,286,091)
Business-type activities	(8,129)	(3,452)	(28,313)	(17,120,000)	3,088,000	10,637,000	(3,012,000)	3,753	(2,575)	21,475
Total district-wide net expense	\$ (15,269,836)	\$ (15,560,448)	\$ (17,919,661)	\$ (16,613,614)	\$ (17,258,567)	\$ (19,539,688)	\$ (21,425,569)	\$ (21,616,878)	\$ (24,368,736)	\$ (26,264,616)
<b>General Revenues and Other Changes in Net Assets/Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 13,814,362
Taxes levied for debt service	276,896	272,836	273,661	269,118	277,887	273,016	273,133	272,945	84,948	80,924
Unrestricted grants and contributions	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	11,429,835
Tuition from Summer School								13,050	10,530	11,040
Investment earnings	140,980	65,157	15,696	9,434	6,719	6,161	5,602	3,457	2,955	3,250
Miscellaneous income	77,608	1,109	86,028	36,770	25,469	15,215	32,087	86,618	354,499	32,403
State Aid- Restricted for Debt Service	58,155	57,643	57,139	56,578	47,643	47,191	46,770	46,342		
State Aid - Capital Outlay Facilities Grant									213,958	
Transfers	(3,424)	(1,642)	(2,986)	(7,242)	(7,730)	(2,575)	(5,311)	(4,799)	(10,044)	(3,476)
Federal and State Aid - Capital outlay									8,954	15,018
Total governmental activities	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	25,383,356
Business-type activities:										
Investment earnings	1,044						15	49	43	59
Miscellaneous Income								2,059		
Transfers	3,424	1,642	2,986	7,242	7,730	2,575	5,311	4,799	10,044	3,476
Total business-type activities	4,468	1,642	2,986	7,242	7,730	2,575	5,326	6,907	10,087	3,535
Total district-wide	\$ 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	\$ 25,386,891
<b>Change in Net Assets/Position</b>										
Governmental activities	\$ (342,515)	\$ (250,388)	\$ (697,049)	\$ (167,632)	\$ 477,404	\$ 1,087,919	\$ 266,445	\$ 848,415	\$ 406,088	\$ (902,735)
Business-type activities	(3,661)	(1,810)	(25,327)	(9,878)	10,818	13,212	2,314	10,660	7,512	25,010
Total district	\$ (346,176)	\$ (252,198)	\$ (722,376)	\$ (177,510)	\$ 488,222	\$ 1,101,131	\$ 268,759	\$ 859,075	\$ 413,600	\$ (877,725)

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)*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 987,928	\$ 989,867	\$ 688,754	\$ 576,800						
Unreserved	329,653	192,460	(309,537)	(290,936)						
Restricted					520,000	1,072,000	1,361,306	1,960,447	972,239	1,074,007
Committed					102,552	189,374				
Assigned					278,258	574,229	362,875	606,727	700,997	525,011
Unassigned					(356,340)	(207,159)	(67,833)	(149,277)	(93,221)	(85,695)
Total general fund	\$ 1,317,581	\$ 1,182,327	\$ 379,217	\$ 285,864	\$ 544,470	\$ 1,628,444	\$ 1,656,348	\$ 2,417,897	\$ 1,580,015	\$ 1,513,323
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund	(11,346)	(41,166)	(9,489)	(10,087)						
Assigned, reported in:										
Capital projects fund									757,305	241,279
Debt service fund									1	
Total all other governmental funds	\$ (11,346)	\$ (41,166)	\$ (9,489)	\$ (10,087)	\$ -	\$ -	\$ 5	\$ 3	\$ 757,306	\$ 241,279

Source: CAFR Schedule B-1

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax levy	\$ 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	\$ 13,895,286
Tuition from Summer School				9,434	6,719	6,161	5,602	13,050	10,530	11,040
Interest earnings	140,980	65,157	15,696	67,162	36,589	33,528	32,087	3,457	2,955	3,250
Miscellaneous	77,608	1,109	86,028	7,231,564	7,528,188	8,029,646	9,020,976	86,618	359,499	32,403
State sources	6,547,396	7,109,565	7,552,543	2,749,761	1,928,061	1,578,571	1,338,061	9,089,121	9,753,053	9,739,476
Federal sources	1,068,073	860,999	1,306,601	21,753,424	21,789,603	22,254,069	23,249,669	1,558,131	1,274,579	1,542,819
Total revenue	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	25,224,274
<b>Expenditures</b>										
Instruction										
Regular Instruction	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	3,797,417
Special education instruction	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	2,676,623
Other special instruction	912,079	837,992	1,089,761	910,491	973,109	651,286	658,033	801,680	630,001	715,998
Other instruction	42,093	49,090	50,759	49,003	47,425	33,687	34,064	33,203	41,045	37,565
Support Services:										
Instruction	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	8,291,898
Attendance and social work services						130,881	142,313	201,270	192,213	169,520
Health Services						223,789	218,213	216,225	231,111	225,850
Student & instruction related services						1,251,592	1,298,104	1,347,301	1,326,671	1,526,865
General administrative services	709,610	646,473	825,419	695,092	697,113	629,989	636,641	641,438	734,970	528,710
School Administrative services	436,564	339,821	628,070	710,798	509,861	446,274	494,878	520,984	514,540	616,220
Central administrative services	478,608	442,361	560,144	593,357	561,680	421,074	441,037	492,169	530,862	545,883
Plant operations and maintenance	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	1,414,231
Pupil transportation	275,835	314,940	223,467	204,559	209,905	186,070	217,134	364,070	303,807	418,965
Unallocated employee benefits						1,712,794	1,863,931	2,108,818	2,429,458	2,526,096
TPAF Pension / Social Security						1,072,598	1,344,444	1,253,759	1,424,445	1,681,589
Summer School Instruction						21,000	21,000	21,000	21,000	18,118
Charter Schools	51,126	54,214	150,316	65,825	145,216	11,981	12,164	5,480	824,665	565,265
Capital outlay						104,881	12,109			
Debt service:										
Principal	293,022	285,760	315,500	272,731	285,091	290,893	296,478	295,300	70,000	70,000
Interest and other charges	113,521	102,176	91,820	77,276	65,303	52,061	38,273	23,989	14,950	10,925
Total expenditures	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	25,837,738
Excess (Deficiency) of revenues over (under) expenditures	(353,525)	(208,990)	(814,185)	(86,708)	266,338	1,074,509	43,304	766,346	(193,250)	(613,464)

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	43,332	45,558	45,738			12,040			124,358	34,221
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)	(3,476)
Total other financing sources (uses)	39,908	43,916	42,752	(7,242)	(7,730)	9,465	(5,311)	(4,799)	114,314	30,745
Net change in fund balances	\$ (313,617)	\$ (165,074)	\$ (771,433)	\$ (93,950)	\$ 258,608	\$ 1,083,974	\$ 37,993	\$ 761,547	\$ (78,936)	\$ (582,719)
Debt service as a percentage of noncapital expenditures	2.1%	2.0%	1.9%	1.6%	1.6%	1.6%	1.4%	1.4%	0.3%	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				
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
2016	3,250	31,572					11,871	46,693

Source: District Records



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

Year Ended Dec. 31,	Total Assessed Value										Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment									
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	\$ 1,044,043,760	\$ -	\$ -	\$ 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%	
2015	\$ 9,191,100	\$ 639,567,055			\$ 187,281,800	\$ 73,800,400	\$ 126,246,100	\$ 1,036,086,455	\$ -	\$ -	\$ 1,138,218	\$ 1,037,224,673	1.315	\$ 1,236,575,555	83.88%	

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 <sup>a</sup>	General Obligation Debt Service <sup>b</sup>		Borough of Fairview	Bergen County	
		Total Direct				
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
2015	1.307	0.008		1.352	0.252	2.919

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	2016			2007		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Fairview Associated 94, L.P	\$ 17,800,500	1	1.72%	\$ 7,500,000	2	1.22%
Ronald Realty, Co, LLC, NJ	\$ 12,713,500	2	1.23%	\$ 5,500,000	4	0.89%
HLF Passaic, C/O Ryan LLC	\$ 11,829,700	3	1.14%			
Fairview Industrial PK. Controller	\$ 11,381,100	4	1.10%	\$ 8,461,300	1	1.37%
Fairview Bergen Property, LLC	\$ 6,800,000	5	0.66%			
Bonanno, Real Estate Group II, L.P	\$ 4,846,200	6	0.47%	\$ 2,731,500	9	0.44%
United Water NJ C/O Altus Group, Inc.	\$ 4,424,000	7	0.43%			
Bonanno Real Estate Group I, L.P	\$ 4,300,000	8	0.41%	\$ 2,989,400	7	0.48%
175 Bergen LLC	\$ 4,300,000	9	0.41%			
Babaci, LLC	\$ 3,965,900	10	0.38%			
HLF Passaic 2005 LLC				\$ 7,022,500	3	1.14%
Koustas Realty Corp				\$ 3,582,000	5	0.58%
Waste Management of NJ				\$ 3,255,600	6	0.53%
New Age Ventures, Inc.				\$ 2,846,200	8	0.46%
Waste Management of NJ				\$ 2,640,700	10	0.43%
<b>Total</b>	<b>\$ 82,360,900</b>		<b>7.94%</b>	<b>\$ 46,529,200</b>		<b>7.55%</b>

Net Assessed Valuation: \$ 1,037,224,673      \$ 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	
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
2016	\$13,895,286	\$13,895,286	100.00%	\$ -

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 <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds/Loans <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2007	2,132,122	-	105,819	-	-	2,237,941	3.05%	\$ 68,147
2008	1,899,124	-	98,615	-	-	1,997,739	3.43%	\$ 68,548
2009	1,654,902	-	73,075	-	-	1,727,977	3.74%	\$ 64,571
2010	1,404,361	-	50,885	-	-	1,455,246	4.49%	\$ 65,275
2011	1,142,014	-	28,141	-	-	1,170,155	5.83%	\$ 68,244
2012	872,509	-	18,793	-	-	891,302	8.01%	\$ 71,380
2013	590,300	-	4,524	-	-	594,824	11.85%	\$ 70,498
2014	295,000	-	-	-	-	295,000	Not Available	\$ 73,536
2015	225,000	-	106,866	-	-	331,866	Not Available	Not Available
2016	155,000	-	96,911	-	-	251,911	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 of Property <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 2,132,122	675,000	1,457,122	0.23%	\$ 21
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%	\$ 13
2011	\$ 1,142,014	475,000	667,014	0.06%	\$ 10
2012	\$ 872,509	420,000	452,509	0.04%	\$ 6
2013	\$ 590,300	360,000	230,300	0.02%	\$ 3
2014	\$ 295,000		295,000	0.03%	\$ 4
2015	\$ 225,000		225,000	Not Available	Not Available
2016	\$ 155,000		155,000	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 <sup>a</sup></u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct Debt of School District as of June 30, 2016</b>			\$ 251,911
<b>Net overlapping debt of School District:</b>			
Borough of Fairview	100.000%	\$ 21,770,711	
County of Bergen - City's Share	0.682%	\$ 5,904,349	
Bergen County Utility Authority-City's Share	2.293%	<u>\$ 4,623,495</u>	
<b>Subtotal, overlapping debt</b>			<u>\$ 32,298,555</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 32,550,466</u></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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 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	22,007,207
Total net debt applicable to limit	1,457,122	1,269,124	1,074,902	874,361	667,014	452,509	230,300	295,000	225,000	155,000
Legal debt margin	\$ 31,447,443	\$ 35,089,667	\$ 40,090,756	\$ 42,225,322	\$ 42,600,098	\$ 38,664,315	\$ 23,329,968	\$ 23,242,793	\$ 22,227,548	\$ 21,852,207
Total net debt applicable to the limit as a percentage of debt limit	4.43%	3.49%	2.61%	2.03%	1.54%	1.16%	0.98%	1.25%	1.00%	0.70%

Equalized valuation basis	
2015	\$ 1,236,575,555
2014	\$ 1,111,156,875
2013	\$ 1,089,563,815
[A]	\$ 2,200,720,690
[A/3]	\$ 733,573,563

Average equalized valuation of taxable property	
[B]	22,007,207 a
[C]	155,000
[B+C]	\$ 21,852,207

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 <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita		Unemployment Rate <sup>d</sup>
			Personal Income <sup>c</sup>		
2007	13,400	\$ 913,169,800	68,147		6.50%
2008	13,483	\$ 924,232,684	68,548		8.30%
2009	13,590	\$ 877,519,890	64,571		14.50%
2010	13,871	\$ 905,429,525	65,275		14.80%
2011	14,021	\$ 956,849,124	68,244		14.60%
2012	14,084	\$ 1,005,315,920	71,380		5.00%
2013	14,229	\$ 1,003,116,042	70,498		5.00%
2014	14,398	\$ 1,058,771,328	73,536		5.40%
2015	14,451	Not Available	Not Available		4.70%
2016	Not Available	Not Available	Not Available		Not Available

**Source:**

- <sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development
- <sup>b</sup> Personal income - Bergen County - provided by NJ Dept of Labor and Workforce Development
- <sup>c</sup> Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development
- <sup>d</sup> 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
Employer	Employees	Rank (Optional)	Percentage of Total Employment

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO RELEASE INFORMATION NEED 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>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction										
Regular	64	64	64	61	60	60	60	61	69	69
Special education	21	20	22	22	21	21	23	24	27	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	14
General administrative services	4	4	5	5	5	5	5	5	5	5
School administrative services	6	6	6	6	6	6	6	6	6	7
Business administrative services	5	5	5	5	4	4	5	5	5	5
Plant operations and maintenance	10	10	9	9	6	6	8	6	7	7
Pupil transportation	-	-	-	-	-	-	-	3	5	5
<b>Total</b>	<b>123</b>	<b>122</b>	<b>124</b>	<b>121</b>	<b>115</b>	<b>115</b>	<b>120</b>	<b>123</b>	<b>137</b>	<b>139</b>

Source: District Personnel Records

Fairview Board of Education  
Operating Statistics  
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
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	4.58%	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%
2016	1,377	25,191,548	18,295	-0.96%	104	1:13		1,337	1,273	2.53%	95.21%

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>District Buildings</b>										
<b>Elementary</b>										
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	505	504	518	562	577	573	573	602	592	616
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	200	195	186	206	227	209	206	213	220	196
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	350	340	339	356	344	435	426	455	484	489

Number of Schools at June 30, 2016  
 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)	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Lincoln School	N/A	107,769	103,766	108,189	105,337	103,126	106,005	82,143	100,306	147,154	123,984
Annex	N/A	4,579	14,135	9,461	6,593	19,487	12,655	17,117	26,098	9,123	8,866
School No. 3	N/A	19,524	7,826	9,500	18,102	18,139	17,991	19,548	21,396	34,601	25,198
Total School Facilities		131,872	125,727	127,150	130,032	140,752	136,651	118,808	147,800	190,878	158,048
Other Facilities											
Grand Total		\$ 131,872	\$ 125,727	\$ 127,150	\$ 130,032	\$ 140,752	\$ 136,651	\$ 118,808	\$ 147,800	\$ 190,878	\$ 158,048

**Fairview Board of Education  
Insurance Schedule  
For the Fiscal Year Ended June 30, 2016  
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**



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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, 2016, 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 18, 2016.

### ***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 18, 2016.

***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

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

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

November 18, 2016



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

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08

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 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, 2016. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 require that we plan and perform the audit to



obtain reasonable assurance about whether 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, 2016.

### **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 the Uniform Guidance and N.J. OMB Circular 15-08, 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 the Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

*Steven D. Wielkocz*

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Certified Public Accountants  
Pompton Lakes, New Jersey

November 18, 2016

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

Year ended June 30, 2016

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2016	
												(Accounts Receivable)	Deferred Revenue/ Interfund Payable
<b>U.S. Department of Agriculture</b>													
Passed-through State Department of Education:													
Enterprise Fund:													
National School Lunch Program	10.555	16161N1304N1099	N/A	7/1/15-6/30/16	\$ 260,076	(26,809)		237,713	260,076			(22,363)	
National School Lunch Program	10.555	16161N1304N1099	N/A	7/1/14-6/30/15	278,178			26,809					
National Breakfast Program	10.553	16161N1304N1099	N/A	7/1/15-6/30/16	32,949			30,473	32,949			(2,476)	
National Breakfast Program	10.553	16161N1304N1099	N/A	7/1/14-6/30/15	33,547	(2,652)		2,652					
<b>Total U.S. Department of Agriculture</b>					<b>297,647</b>	<b>(29,461)</b>		<b>297,647</b>	<b>293,025</b>			<b>(24,839)</b>	
<b>U.S. Department of Education</b>													
General Fund:													
MAC	93.778	160SNJ5MAP	N/A	7/1/15-6/30/16	6,888			6,888	6,888			(23,799)	
Medical Assistance Program (SEMI)	93.778	160SNJ5MAP	N/A	7/1/15-6/30/16	39,717			15,918	39,717				
Medical Assistance Program (SEMI)	93.778	160SNJ5MAP	N/A	7/1/14-6/30/15	34,517	(22,387)		22,387					
<b>Total General Fund</b>					<b>45,193</b>	<b>(22,387)</b>		<b>45,193</b>	<b>46,605</b>			<b>(23,799)</b>	
<b>U.S. Department of Education</b>													
Passed-through State Department of Education:													
Special Revenue Fund:													
Title I Part A, Improving Basic Programs	84.010	S010A150030	NCLB-xxxx-15	7/1/15-6/30/16	856,618	(72,752)	(72,752)	842,201	965,914			(196,465)	
Title I Part A, Improving Basic Programs	84.010	S010A150030	NCLB-xxxx-14	7/1/14-6/30/15	829,361	(72,752)	72,752	842,201	965,914			(196,465)	
I.D.E.A. Part B	84.027	H027A150100	IDEA-xxxx-15	7/1/15-6/30/16	411,905	(22,223)	(22,223)	405,438	390,795			(7,580)	
I.D.E.A. Part B	84.027	H027A150100	IDEA-xxxx-14	7/1/14-6/30/15	383,618	(22,223)	22,223	8,907	9,284				
I.D.E.A. Part B Preschool	84.173	H027A150100	IDEA-xxxx-15	7/1/15-6/30/16	8,907	(377)	377	377					
I.D.E.A. Part B Preschool	84.173	H027A150100	IDEA-xxxx-14	7/1/14-6/30/15	8,296	(22,223)	(377)	414,722	400,079			(7,580)	
Title II Part A	84.367A	S367A150029	NCLB-xxxx-15	7/1/15-6/30/16	55,143	(20,016)	(20,016)	43,609	59,652			(36,059)	
Title II Part A	84.367A	S367A150029	NCLB-xxxx-14	7/1/14-6/30/15	55,498	(20,016)	20,016	43,609	59,652			(36,059)	
Title III	84.365A	S365A150030	NCLB-xxxx-15	7/1/15-6/30/16	50,181	(30,954)	(30,954)	77,867	59,517			(12,604)	
Title III	84.365A	S365A150030	NCLB-xxxx-14	7/1/14-6/30/15	49,135	(30,954)	30,954	9,640	11,221			(1,581)	
Title III, Immigrant	84.365A	S365A150030	NCLB-xxxx-15	7/1/15-6/30/16	11,268	1,643							1,643
Title III, Immigrant	84.365A	S365A150030	NCLB-xxxx-13	7/1/13-6/30/14	14,985	(29,311)		87,507	70,738			(14,185)	1,643
<b>Total Special Revenue Fund</b>					<b>1,388,039</b>	<b>(144,302)</b>		<b>1,388,039</b>	<b>1,496,383</b>			<b>(254,289)</b>	<b>1,643</b>
<b>Total Federal Financial Assistance</b>					<b>1,730,879</b>	<b>(196,150)</b>		<b>1,730,879</b>	<b>1,836,013</b>			<b>(302,927)</b>	<b>1,643</b>

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, 2016**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Balance at June 30, 2015					Balance at June 30, 2016					MEMO			
			Award Amount	Deferred Revenue (Assets Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures Pass-through Funds	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable)		Deferred Revenue (Liabilities Payable)	Due to Grantor	Budgetary Rescuable
Local Sources:																
Special Revenue Fund:																
NSRSafety Grant	N/A	7/1/15-6/30/16	6,063				6,063		6,063							6,063
Total Local Sources			6,063				6,063		6,063							6,063
Total State and Local Financial Assistance			\$ (621,818)		11,947	9,195,105	9,709,632		11,947	(495,352)	132	24,685	(665,810)	1,180,071		

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



**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 *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 \$40,704 for the general fund and \$(6,232) 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	\$46,605	\$9,418,324	\$	\$9,464,929
Special Revenue Fund	1,496,214	321,152		1,817,366
Food Service Fund	<u>293,025</u>	<u>4,797</u>	<u>          </u>	<u>297,822</u>
Total Awards and Financial Assistance	<u>\$1,835,844</u>	<u>\$9,744,273</u>	<u>\$0</u>	<u>\$11,580,117</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 Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. 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, 2016.

**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 \$1,154,842 of on-behalf payments is excluded from major program determination.

**NOTE 7. INDIRECT COST RATE**

The Fairview Board of Education has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**FAIRVIEW BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*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 2 CFR 200 section .516(a) of the Uniform Guidance? \_\_\_\_\_ yes \_\_\_\_\_ X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010 (A)	S010A150030	Title I, Part A

Note: (A) Tested as Major Type A Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ X yes \_\_\_\_\_ no



**FAIRVIEW BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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, 2016**

**Status of Prior Year Findings**

NONE