

**FAIRVIEW BOARD OF EDUCATION
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

FAIRVIEW BOARD OF EDUCATION

FAIRVIEW BOARD OF EDUCATION
Fairview, New Jersey

Comprehensive Annual Financial Report
Year Ended June 30, 2021

Comprehensive Annual Financial Report

of the

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

Year Ended June 30, 2021

Prepared by

**John Bussanich
Business Administrator**

OUTLINE OF CAFR

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INTRODUCTORY SECTION

FAIRVIEW PUBLIC SCHOOLS

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School Business Administrator
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Fairview, NJ 07022

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Fax: 201 - 941 - 1195
E-mail: jbussanich@fairviewps.org

January 31, 2022

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, 2021 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 average daily enrollment of 1,525 students. Although this has been a slight decrease from the previous year, we believe that this was caused by the COVID pandemic. The following is a view of the district enrollment for the last ten years.

Average Daily Enrollment

Year	Enrollment	Percent
2011-2012	1196	4.2
2012-2013	1203	.06
2013-2014	1273	5.8
2014-2015	1293	1.6
2015-2016	1368	5.8
2016-2017	1439	5.2
2017-2018	1475	2.5
2018-2019	1492	1.1
2019-2020	1532	2.6
2020-2021	1525	(.46)

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 2011-2012 school year to the present, the overall student population has increased by 21.57% or 329 additional elementary school students. The overall district enrollment is expected to continue to increase over the next few years.

3. Major Initiatives: During the 2020-2021 school year the district continued to make an effort to prepare students for the administration of the NJSLA (New Jersey Student Learning Assessment). 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 2019-2020 school year. The district is currently reviewing the results of the NJSLA test administered during the 2018-2019 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. The district also made plans to add two additional modular classrooms at Lincoln School to reduce class sizes.

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, 2020.

6. Debt Administration: As of June 30, 2018, the Pension Refunding Bonds are no longer outstanding. 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 staff of the Business Administrator as well as the Superintendent and his staff for their dedicated service to the Fairview Public School District.

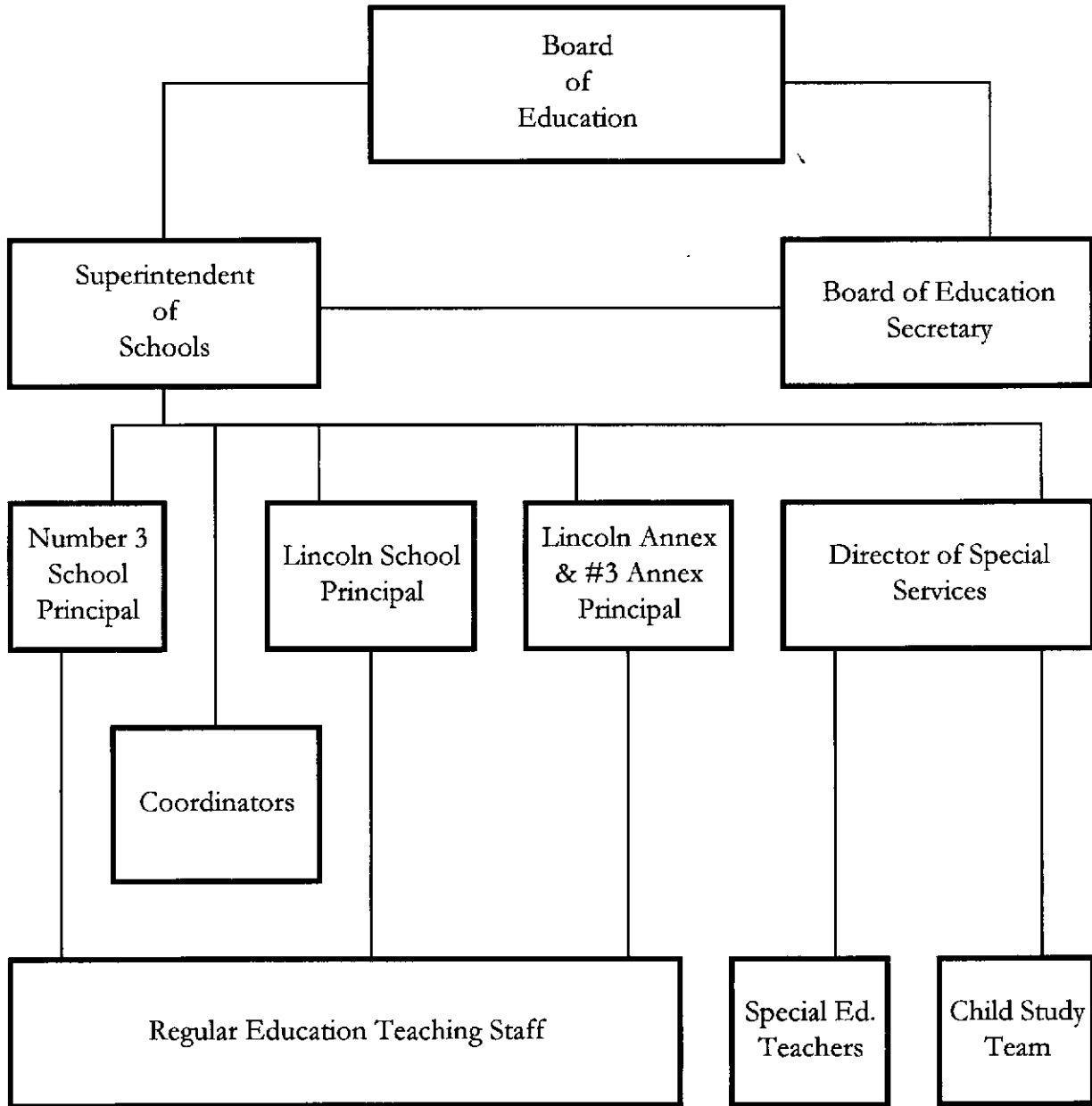
Respectfully submitted,

John M. Bussanich

Mr. John M. Bussanich
Business Administrator

BOUROUGH OF FAIRVIEW BOARD OF EDUCATION

Fairview, New Jersey



FAIRVIEW BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Maria Travers, President	2023
Diane Testa, Vice President	2022
Hossam Elsamra	2023
Gustavo Gomez	2024
Louis Lynaugh	2024
Francisco Martinez	2022
Kenneth Schmidt	2023
Bryan Yannuzzi	2024

Other Officials

David Sleppin, Ph.D., Superintendent

John Bussanich, School Business Administrator

Rita Juliano, Board Secretary

FAIRVIEW BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2021

Attorney

Stephen F. Pellino, Esq.
Basile, Birchwale and Pellino
865 Broad Avenue
Ridgefield, NJ 07657

Architect of Record

RSC Architects
3 University Plaza Drive, Suite 600
Hackensack, NJ 07601

District Auditor

Steven D. Wielkotz, C.P.A.
Wielkotz & Company, LLC
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442

Official Depository

GSL Bank
215 Bergen Blvd
Fairview, NJ 07022

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
PAUL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
THOMAS M. FERRY, CPA, RMA, PSA

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(973)-835-7900

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, 2021, 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 opinions 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, 2021, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the basic financial statements, in fiscal year 2021, the Board adopted Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. As a result, prior year balances were restated (Note 16) to reflect the implementation of this Statement. Our opinions are not modified with respect to this matter.

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, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits 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

Honorable President and
Members of the Board of Education
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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.

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.



Honorable President and
Members of the Board of Education
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022 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 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. Wielkocz

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

Wielkocz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 31, 2022

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021. The intent of this discussion and analysis is to look at the District’s financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District’s revenues and expenditures by program for the General Fund, Special Revenue Fund, Debt Service and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased by \$5,109,873. Net position of governmental activities increased \$5,072,910 while net position of business-type activities increased by \$36,963.
- General revenues accounted for \$36,859,537 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 \$3,058,426 or 8 percent of total revenues of \$39,917,963.
- The School District had \$34,808,090 in expenses related to governmental and business-type activities; only \$3,058,426 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$36,859,537 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, 2021
(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, 2021
(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, 2021
(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 \$10,746,643 at June 30, 2021 and \$5,618,601 at June 30, 2020. 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 2021 compared to 2020 (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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets						
Current and Other Assets	13,690,628	7,256,798	138,281	100,861	13,828,909	7,357,659
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>3,325,329</u>	<u>3,278,531</u>	<u>729</u>	<u>1,055</u>	<u>3,326,058</u>	<u>3,279,586</u>
Total Assets	<u>18,336,170</u>	<u>11,855,542</u>	<u>139,010</u>	<u>101,916</u>	<u>18,475,180</u>	<u>11,957,458</u>
Deferred Outflows:						
Deferred Outflows of Resources						
Related to PERS	<u>1,203,001</u>	<u>981,048</u>	—	—	<u>1,203,001</u>	<u>981,048</u>
Total Deferred Outflows	<u>1,203,001</u>	<u>981,048</u>	—	—	<u>1,203,001</u>	<u>981,048</u>
Liabilities						
Current Liabilities	3,056,281	1,621,414	29,106	28,812	3,085,387	1,650,226
Noncurrent Liabilities	<u>3,982,975</u>	<u>3,933,147</u>	—	—	<u>3,982,975</u>	<u>3,933,147</u>
Total Liabilities	<u>7,039,256</u>	<u>5,554,561</u>	<u>29,106</u>	<u>28,812</u>	<u>7,068,362</u>	<u>5,583,373</u>
Deferred Inflows:						
Deferred Inflows of Resources						
Related to PERS	<u>1,863,176</u>	<u>1,736,369</u>	—	—	<u>1,863,176</u>	<u>1,736,369</u>
Total Deferred Inflows	<u>1,863,176</u>	<u>1,736,369</u>	—	—	<u>1,863,176</u>	<u>1,736,369</u>
Net Position						
Net Investment in Capital						
Assets	4,645,542	4,598,744	729	892	4,646,271	4,599,636
Restricted	10,918,049	6,336,776			10,918,049	6,336,776
Unrestricted	<u>(4,926,852)</u>	<u>(5,389,860)</u>	<u>109,175</u>	<u>72,049</u>	<u>(4,817,677)</u>	<u>(5,317,811)</u>
Total Net Position	<u>10,636,739</u>	<u>5,545,660</u>	<u>109,904</u>	<u>72,941</u>	<u>10,746,643</u>	<u>5,618,601</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2021.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program Revenues:						
Charges for Services and Sales	9,329			15,921	9,329	15,921
Operating Grants and Contributions	2,667,604	1,645,514	381,493	322,485	3,049,097	1,967,999
General Revenues:						
Taxes:						
Property Taxes	16,213,902	16,201,812			16,213,902	16,201,812
Federal and State Aid not Restricted	20,090,619	19,473,980			20,090,619	19,473,980
Federal and State Aid - Capital Outlay	415,885	94,688			415,885	94,688
Miscellaneous Income	126,604	23,590			126,604	23,590
Investment Income	<u>12,444</u>	<u>7,482</u>	<u>83</u>	<u>64</u>	<u>12,527</u>	<u>7,546</u>
Total Revenues and Transfers	<u>39,536,387</u>	<u>37,447,066</u>	<u>381,576</u>	<u>338,470</u>	<u>39,917,963</u>	<u>37,785,536</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Functions/Program Expenses						
Instruction:						
Regular	5,950,066	6,670,042			5,950,066	6,670,042
Special Education	4,119,755	3,731,385			4,119,755	3,731,385
Other Special Instruction	1,015,787	1,372,710			1,015,787	1,372,710
Other Instruction	11,934	54,718			11,934	54,718
Support Services:						
Tuition	11,781,492	11,466,811			11,781,492	11,466,811
Student & Instruction Related Services	2,764,045	2,205,690			2,764,045	2,205,690
School Administrative Services	1,078,110	1,178,699			1,078,110	1,178,699
General Administrative Services	683,816	583,289			683,816	583,289
Central Administration and Admin. Info. Tech.	725,682	743,736			725,682	743,736
Plant Operations and Maintenance	1,732,500	2,033,878			1,732,500	2,033,878
Pupil Transportation	673,390	514,702			673,390	514,702
Unallocated Benefits	3,283,449	3,612,301			3,283,449	3,612,301
Allocated Benefits	25,000	83,738			25,000	83,738
Charter Schools	26,197	28,445			26,197	28,445
Capital Outlay - Nondepreciable	280,593	164,642			280,593	164,642
Unallocated Depreciation	311,661	184,210			311,661	184,210
Food Service			344,613	332,314	344,613	332,314
Total Expenses	<u>34,463,477</u>	<u>34,628,996</u>	<u>344,613</u>	<u>332,314</u>	<u>34,808,090</u>	<u>34,961,310</u>
Increase or (Decrease) in Net Position	<u>5,072,910</u>	<u>2,818,070</u>	<u>36,963</u>	<u>6,156</u>	<u>5,109,873</u>	<u>2,824,226</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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 \$34,808,090. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$16,213,902 because some of the cost was paid by those who benefitted from the programs \$9,329, by other governments and organizations who subsidized certain programs with grants and contributions \$3,049,097, unrestricted federal and state aid \$20,090,619, federal and state aid capital outlay \$415,885, and by miscellaneous sources \$139,131.

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 \$36,963.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches was \$381,493.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2021, 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 2020</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$16,362,279	42.2%	\$129,395	0.80%	\$16,232,884
State Source	20,097,500	51.9%	2,044,763	11.33%	18,052,737
Federal Source	<u>2,273,912</u>	<u>5.9%</u>	<u>934,774</u>	69.80%	<u>1,339,138</u>
Total	<u>\$38,733,691</u>	<u>100.0%</u>	<u>\$3,108,932</u>	8.73%	<u>\$35,624,759</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$8,594,787	25.5%	(\$547,496)	-5.99%	\$9,142,283
Undistributed	24,553,129	72.8%	1,033,439	4.39%	23,519,690
Capital Outlay	<u>601,818</u>	<u>1.8%</u>	<u>(431,564)</u>	-41.76%	<u>1,033,382</u>
Total	<u>\$33,749,734</u>	<u>100.0%</u>	<u>\$54,379</u>	0.16%	<u>\$33,695,355</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2021, 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 \$4,378,420 for increases in federal and state grant awards.

General Fund

The general fund actual revenue was \$35,964,859. That amount is \$3,977,721 above the final amended budget of \$31,987,138. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$3,280,855 for TPAF social security reimbursements and on-behalf pension payments and a \$696,866 excess in miscellaneous anticipated revenues, other state aids and other federal aids.

The actual expenditures of the general fund were \$30,654,645 including transfers which is \$2,459,638 less than the final amended budget of \$33,114,283. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$3,280,855 and \$5,740,493 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$3,269,485. That amount is above the original budget estimate of \$1,415,786 and below the final amended budget of \$5,794,206. The \$4,378,420 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 \$2,524,721 variance between the final amended budget and the June 30, 2021 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 and the inclusion of student activity funds.

The actual expenditures of the special education fund were \$3,271,756, which is above the original budget of \$1,415,786 and below the final amended budget of \$5,794,206. The \$4,378,420 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 \$2,522,450 variance between the final amended budget and the June 30, 2021 actual results was due to the anticipation of fully expending state and federal grant programs and the inclusion of student activity accounts.

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2021 the School District had \$14,122,290 invested in sites, buildings, equipment and construction in progress. Of this amount, \$9,476,019 in depreciation has been taken over the years. We currently have a net book value of \$4,646,271. Total depreciable additions for the year were \$358,459, which consisted of various equipment purchases. Table 3 shows fiscal year 2021 balances compared to 2020.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	1,320,213	1,320,213			1,320,213	1,320,213
Site Improvements	55,791	66,048			55,791	66,048
Buildings and Improvements	2,663,656	2,802,104			2,663,656	2,802,104
Machinery and Equipment	<u>605,882</u>	<u>410,379</u>	<u>729</u>	<u>892</u>	<u>606,611</u>	<u>411,271</u>
	<u>4,645,542</u>	<u>4,598,744</u>	<u>729</u>	<u>892</u>	<u>4,646,271</u>	<u>4,599,636</u>

Debt Administration

At June 30, 2021, the District had \$3,982,975 of long term debt. Of this amount, \$158,285 is for compensated absences and \$3,824,690 is for net pension liability.

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 2021-2022 school year that is slightly above the funding level of the 2020-2021 school year.

These factors were considered in preparing the Fairview Board of Education's budgets for the 2021-2022 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, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	2,597,599	100,180	2,697,779
Receivables, net	1,006,785	38,101	1,044,886
Restricted assets:			
Reserve accounts - cash	10,086,244		10,086,244
Capital assets:			
Land and Construction in Progress	1,320,213		1,320,213
Depreciable Buildings, Improvements and Equipment (net)	3,325,329	729	3,326,058
Total Assets	<u>18,336,170</u>	<u>139,010</u>	<u>18,475,180</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	<u>1,203,001</u>		<u>1,203,001</u>
Total Deffered Outflows	<u>1,203,001</u>		<u>1,203,001</u>
LIABILITIES			
Accounts payable and accrued liabilities	959,494	29,106	988,600
Payable to state government	145,476		145,476
Unearned revenue	1,623,265		1,623,265
Payroll deductions and withholdings payable	328,046		328,046
Noncurrent liabilities:			
Due beyond one year	<u>3,982,975</u>		<u>3,982,975</u>
Total liabilities	<u>7,039,256</u>	<u>29,106</u>	<u>7,068,362</u>
Deferred Inflows of Resources:			
Deferred inflows of resources related to PERS	<u>1,863,176</u>		<u>1,863,176</u>
Total Deferred Inflows	<u>1,863,176</u>		<u>1,863,176</u>
NET POSITION			
Net Investment in Capital Assets	4,645,542	729	4,646,271
Restricted for:			
Debt service	82,301		82,301
Capital projects	241,279		241,279
Other purposes	10,594,469		10,594,469
Unrestricted (Deficit)	<u>(4,926,852)</u>	<u>109,175</u>	<u>(4,817,677)</u>
Total net position	<u>10,636,739</u>	<u>109,904</u>	<u>10,746,643</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, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	4,371,498	1,578,568			(5,950,066)		(5,950,066)
Special education	3,486,192	633,563		1,891,526	(2,228,229)		(2,228,229)
Other special instruction	728,360	287,427			(1,015,787)		(1,015,787)
Other instruction	8,737	3,197			(11,934)		(11,934)
Support services:							
Tuition	11,781,492				(11,781,492)		(11,781,492)
Student & instruction related services	2,315,358	448,687	9,329	776,078	(1,978,638)		(1,978,638)
School administrative services	771,493	306,617			(1,078,110)		(1,078,110)
General administrative services	552,999	130,817			(683,816)		(683,816)
Central services and administrative information technology	522,421	203,261			(725,682)		(725,682)
Plant operations and maintenance	1,504,341	228,159			(1,732,500)		(1,732,500)
Pupil transportation	615,392	57,998			(673,390)		(673,390)
Allocated benefits	25,000				(25,000)		(25,000)
Unallocated benefits	3,283,449				(3,283,449)		(3,283,449)
Charter schools	26,197				(26,197)		(26,197)
Capital outlay - non-depreciable	280,593				(280,593)		(280,593)
Unallocated depreciation	311,661				(311,661)		(311,661)
Total governmental activities	30,585,183	3,878,294	9,329	2,667,604	(31,786,544)	-	(31,786,544)
Business-type activities:							
Food Service	344,613			381,493		36,880	36,880
Total business-type activities	344,613			381,493		36,880	36,880
Total primary government	30,929,796		9,329	3,049,097	(31,786,544)	36,880	(31,749,664)
General revenues:							
Taxes:							
Levied for general purposes					16,213,902		16,213,902
Federal and State aid not restricted					20,090,619		20,090,619
Federal and State aid - Capital Outlay					415,885		415,885
Investment Earnings					12,444	83	12,527
Miscellaneous Income					126,604		126,604
Total general revenues, special items, extraordinary items and transfers					36,859,454	83	36,859,537
Change in Net Position					5,072,910	36,963	5,109,873
Net Position—beginning					5,545,660	72,941	5,618,601
Prior period adjustments					18,169		18,169
Net Position—beginning (restated)					5,563,829	72,941	5,636,770
Net Position—ending					10,636,739	109,904	10,746,643

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

* Student Activity revenue is reported as "charges for services"

FUND FINANCIAL STATEMENTS

FAIRVIEW BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents					
Checking	769,966	1,504,053	241,279	82,301	2,597,599
Accounts Receivable -					
Intergovernmental - Federal		210,102			210,102
Intergovernmental - State	564,079	232,604			796,683
Restricted cash and cash equivalents					
Capital reserve	9,142,300				9,142,300
Tuition reserve	600,000				600,000
Payroll deductions and withholdings	134,254 *				134,254
Summer savings	193,792 *				193,792
Student activity accounts		15,898 *			15,898
	<u>11,404,391</u>	<u>1,962,657</u>	<u>241,279</u>	<u>82,301</u>	<u>13,690,628</u>
Total assets					
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	521,741	178,018			699,759
Intergovernmental accounts payable - State		145,476			145,476
Unearned revenue		1,623,265			1,623,265
Payroll deductions and withholdings	328,046 **				328,046
Total liabilities	<u>849,787</u>	<u>1,946,759</u>	<u>-</u>	<u>-</u>	<u>2,796,546</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	229,743				229,743
Excess Surplus - prior year - designated for subsequent year's expenditures	143,751				143,751
Capital reserve account	9,142,300				9,142,300
Tuition reserve	600,000				600,000
Student Activities		15,898			15,898
Assigned to:					
Year-end encumbrances	198,875				198,875
Designated by the BOE for subsequent year's expenditures	279,800				279,800
Capital projects fund			241,279		241,279
Debt service fund				82,301	82,301
Unassigned:					
General fund	(39,865)				(39,865)
	<u>10,554,604</u>	<u>15,898</u>	<u>241,279</u>	<u>82,301</u>	<u>10,894,082</u>
Total Fund balances					
Total liabilities and fund balances	<u>11,404,391</u>	<u>1,962,657</u>	<u>241,279</u>	<u>82,301</u>	

FAIRVIEW BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2021

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 \$13,705,878 and the accumulated depreciation is \$9,107,134	4,645,542
Accounts payable for subsequent Pension payment is not a payable in the funds	(259,735)
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	1,203,001
Deferred inflows of resources related to PERS Pension Liability	(1,863,176)
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)	(3,982,975)
Net position of governmental activities	10,636,739

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

* Include former fiduciary fund cash and cash equivalents

** Include payroll deductions payable and flexible benefits liabilities (flex spending has no net position, only liabilities)

FAIRVIEW BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Municipal tax levy	16,213,902				16,213,902
Miscellaneous	139,048				139,048
Student Group Receipts		9,329 *			9,329
Total - Local Sources	16,352,950	9,329	-	-	16,362,279
State sources	19,238,954	858,546			20,097,500
Federal sources	48,969	2,224,943			2,273,912
Total revenues	35,640,873	3,092,818	-	-	38,733,691
EXPENDITURES					
Current:					
Regular instruction	4,371,498				4,371,498
Special education instruction	1,594,666	1,891,526			3,486,192
Other special instruction	728,360				728,360
School sponsored/other instructional	8,737				8,737
Support services and undistributed costs:					
Tuition	11,781,492				11,781,492
Attendance and social work services	195,368				195,368
Health services	334,233				334,233
Student & instruction related services	998,079	787,678 **			1,785,757
General administrative services	552,999				552,999
School administrative services	771,493				771,493
Central services & administrative information technology	522,421				522,421
Plant operations and maintenance	1,541,575				1,541,575
Pupil transportation	615,392				615,392
Allocated benefits	25,000				25,000
Unallocated benefits	3,120,347				3,120,347
On-behalf contributions	3,280,855				3,280,855
Transfer to charter school	26,197				26,197
Capital outlay	185,933	415,885	-	-	601,818
Total expenditures	30,654,645	3,095,089	-	-	33,749,734
Excess (Deficiency) of revenues	4,986,228	(2,271)	-	-	4,983,957
Net change in fund balances	4,986,228	(2,271)	-	-	4,983,957
Fund balance—July 1	5,568,376		241,279	82,301	5,891,956
Prior period adjustments		18,169 ***			18,169
Fund balance—July 1 (Restated)	5,568,376	18,169	241,279	82,301	5,910,125
Fund balance—June 30	10,554,604	15,898	241,279	82,301	10,894,082

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

- * Special revenue fund now includes revenues from student activities
** Special revenue fund now includes expenditures from student activities
*** Student Activity Fund Net Position as of June 30, 2020

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, 2021

Total net change in fund balances - governmental funds (from B-2)		4,983,957
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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.</p>		
	Depreciation expense	(311,661)
	Depreciable Capital outlays	<u>358,459</u>
		46,798
<p>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 (+).</p>		
	Decrease in compensated absences payable	22,530
<p>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.</p>		
	District Pension Contributions	256,572
	Less: Pension Expense	<u>(236,947)</u>
	Increase in Pension Expense	19,625
<p>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.</p>		
	Increase in On-behalf State Aid TPAF Pension	757,947
	Increase in On-behalf TPAF Pension Expense	(757,947)
<p>Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post employment medical 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</p>		
	Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	44,749
	Increase in On-behalf State Aid TPAF Post Employment Medical Expense	(44,749)
Change in net position of governmental activities		<u><u>5,072,910</u></u>

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

FAIRVIEW BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2021

		<u>Business-type Activities - Enterprise Fund</u>
		<u>Food Service Program</u>
ASSETS		
Current assets:		
Cash and cash equivalents	100,180	
Accounts receivable:		
State	2,202	
Federal	35,899	
Total current assets	<u>138,281</u>	
Noncurrent assets:		
Capital assets:		
Equipment	57,953	
Less accumulated depreciation	<u>(57,224)</u>	
Total capital assets (net of accumulated depreciation)	<u>729</u>	
Total assets	<u>139,010</u>	
Current Liabilities:		
Accounts Payable	<u>29,106</u>	
Total Liabilities	<u>29,106</u>	
NET POSITION		
Net Investment in Capital Assets	729	
Unrestricted	109,175	
Total net position	<u><u>109,904</u></u>	

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

FAIRVIEW BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2021

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
Operating revenues:	
Charges for services:	
Daily sales-reimbursable programs	-
Total operating revenues	-
Operating expenses:	
Cost of sales-reimbursable programs	328,238
Supplies and materials	16,212
Depreciation expense	163
Total Operating Expenses	<u>344,613</u>
Operating income (loss)	<u>(344,613)</u>
Nonoperating revenues (expenses):	
State sources:	
School lunch program	9,366
Federal sources:	
National school lunch program	190,721
Breakfast program	119,907
Summer food service program	55,492
P-EBT Administrative Costs	2,944
Emergency Operational Program Cost-School	3,063
Interest Income	83
Total nonoperating revenues (expenses)	<u>381,576</u>
Income (loss) before contributions & transfers	36,963
Total net position—beginning (restated)	<u>72,941</u>
Total net position—ending	<u><u>109,904</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, 2021

	Business-type Activities - Enterprise Fund
	Food Service Program
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	-
Payments to suppliers	(344,156)
Net cash provided by (used for) operating activities	(344,156)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	8,729
Federal Sources	361,160
Net cash provided by (used for) non-capital financing activities	369,889
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	83
Net cash provided by (used for) investing activities	83
Net increase (decrease) in cash and cash equivalents	25,816
Balances—beginning of year	74,364
Balances—end of year	100,180
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(344,613)
Adjustments to reconcile operating income (loss) to net cash provided by	
Depreciation and net amortization	163
Increase (decrease) in accounts payable	294
Total adjustments	457
Net cash provided by (used for) operating activities	(344,156)

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, 2021**

NOTE 1. 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.

A. Description of the School District and Reporting Entity:

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.

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 Pre-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.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Description of the School District and Reporting Entity: (continued)

operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools and a middle school, located in the Borough of Fairview. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

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.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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.

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.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Basis of Presentation: (continued)

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.

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. The District does not have any activities that are required to be included in the Fiduciary Fund.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. 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.

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.

D. 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.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Basis of Accounting: (continued)

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.

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.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

E. 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.

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.

F. 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.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

G. 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.

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.

H. Tuition Payable:

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

I. 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.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2021, 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.

K. 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.

L. 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

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

M. 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.

N. 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 1(F) regarding the special revenue fund.

O. 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.

P. 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

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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

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.

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.

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.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Q. 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.

R. 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.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

R. Fund Balances: (continued)

- **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.

S. Net Position:

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

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

T. 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.

U. 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.

V. 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

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

V. Allocation of Indirect Expenses: (continued)

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.

W. 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.

X. New Accounting Standards:

During fiscal year 2021, the District adopted the following GASB Statement:

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

X. New Accounting Standards: (continued)

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction.* The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 91, *Conduit Debt Obligations.* This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 92, *Omnibus.* This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. This Statement is effective for reporting periods beginning after December 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 93, *Replacement of Interbank Offering Rates.* The objective of this Statement is to address certain issues with Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, Statement No. 87, *Leases*, as amended and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

X. New Accounting Standards: (continued)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 2. 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, 2021, \$-0- of the District's bank balance of \$15,210,060 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 3. RECEIVABLES:

Receivables at June 30, 2021, 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 Fund	District Wide Financial <u>Statements</u>
State Aid	\$796,683	\$2,202	\$798,885
Federal Aid	<u>210,102</u>	<u>35,899</u>	<u>246,001</u>
Gross Receivables	1,006,785	38,101	1,044,886
Less: Allowance for Uncollectibles	_____	_____	_____
Total Receivables, Net	<u>\$1,006,785</u>	<u>\$38,101</u>	<u>\$1,044,886</u>

NOTE 4. INTERFUND BALANCE AND ACTIVITY:

There were no Interfund transfers for the year ended June 30, 2021.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021

NOTE 5. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	<u>Balance</u> <u>6/30/20</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/21</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	<u>1,320,213</u>	_____	_____	<u>1,320,213</u>
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	9,596,614	37,234		9,633,848
Machinery and Equipment	<u>2,475,566</u>	<u>321,225</u>	_____	<u>2,796,791</u>
Totals at Historical Cost	<u>12,385,665</u>	<u>358,459</u>	_____	<u>12,744,124</u>
Less Accumulated Depreciation:				
Sites and Improvements	(247,437)	(10,257)		(257,694)
Buildings and Improvements	(6,794,510)	(175,682)		(6,970,192)
Equipment	<u>(2,065,187)</u>	<u>(125,722)</u>	_____	<u>(2,190,909)</u>
Total Accumulated Depreciation	<u>(9,107,134)</u>	<u>(311,661)</u>	_____	<u>(9,418,795)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>3,278,531</u>	<u>46,798</u>	_____	<u>3,325,329</u>
Governmental Activities Capital Assets, Net	<u><u>4,598,744</u></u>	<u><u>46,798</u></u>	<u>=====</u>	<u><u>4,645,542</u></u>
	<u>Beginning</u> <u>Balance</u> <u>6/30/20</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u> <u>6/30/21</u>
Business-Type Activity				
Capital Assets Not Being Depreciated:				
Construction in Progress	_____	_____	_____	_____
Total Capital Assets Not Being Depreciated	_____	_____	_____	_____
Building and Building Improvements				
Equipment	<u>57,953</u>	_____	_____	<u>57,953</u>
Totals at historical cost	<u>57,953</u>	_____	_____	<u>57,953</u>
Less Accumulated Depreciation for:				
Building and Building Improvements				
Equipment	<u>(57,061)</u>	<u>(163)</u>	_____	<u>(57,224)</u>
Total Accumulated Depreciation	<u>(57,061)</u>	<u>(163)</u>	_____	<u>(57,224)</u>
Business-Type Activity Capital Assets, Net	<u><u>892</u></u>	<u><u>(163)</u></u>	<u>=====</u>	<u><u>729</u></u>

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 5. CAPITAL ASSETS: (continued)

*Depreciation expense was charged to governmental functions as follows:

Unallocated	(\$185,939)
Instruction:	
Regular	(105,885)
Support Services:	
Student & Instruction Related Services	(10,066)
School Administration	(5,832)
Operations and Maintenance of Plant	(3,939)
Direct Expense of Various Functions	
Total Depreciation Expense	<u>(\$311,661)</u>

NOTE 6. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the year ended June 30, 2021 were as follows:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Amount</u> <u>Due Within</u> <u>One Year</u>
Other Liabilities:					
Compensated Absences Payable	\$180,815	\$6,408	(\$28,938)	\$158,285	\$
Net Pension Liability PERS	<u>3,752,332</u>	<u>72,358</u>	<u></u>	<u>3,824,690</u>	<u></u>
Total Other Liabilities	<u>\$3,933,147</u>	<u>\$78,766</u>	<u>(\$28,938)</u>	<u>\$3,982,975</u>	<u>\$</u>

A. Bonds Payable:

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

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.

As of June 30, 2021, the Board had no bonds payable outstanding.

B. Bonds Authorized But Not Issued:

As of June 30, 2021 the Board has no authorized but not issued bonds.

C. Capital Leases

As of June 30, 2021, the Board has no capital leases outstanding.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 7. OPERATING LEASES:

The District has commitments to lease certain office equipment and a building for classroom use under operating leases that expire in 2023. Total operating lease payments made during the year ended June 30, 2021 were \$265,319. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$269,935
2023	<u>31,054</u>
	<u>\$300,989</u>

NOTE 8. PENSION PLANS:

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

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 8. PENSION PLANS: (continued)

The following represents the membership tiers for TPAF:

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

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

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.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 8. PENSION PLANS: (continued)

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

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contributions Requirements Fund Based Statements

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:

<u>Year</u>	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/21	\$256,572	\$10,664
6/30/20	202,565	11,392
6/30/19	201,319	11,251

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 8. PENSION PLANS: (continued)

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

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>	<u>Long-Term</u> <u>Disability</u> <u>Insurance</u> <u>Contribution</u>
6/30/21	\$2,011,071	\$642,230	\$38,263	\$1,672
6/30/20	1,503,737	567,858	26,953	1,802
6/30/19	1,323,309	612,816	27,700	2,159

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 \$587,619 during the year ended June 30, 2021 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

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

Public Employees Retirement System (PERS)

At June 30, 2021, the District had a liability of \$3,824,690 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, 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 governmental entities, actuarially determined. At June 30, 2021, the District's proportion was 0.0234537321 percent, which was an increase/(decrease) of 0.0026288253 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$236,947. At June 30, 2021, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 8. PENSION PLANS: (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$69,641	\$13,526
Changes of assumptions	124,077	1,601,434
Net difference between projected and actual earnings on pension plan investments	130,731	
Changes in proportion and differences between District contributions and proportionate share of contributions	618,817	248,216
District contributions subsequent to the measurement date	<u>259,735</u>	<u> </u>
Total	<u>\$1,203,001</u>	<u>\$1,863,176</u>

The \$259,735 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, 2021, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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:	
2021	(\$479,929)
2022	(437,549)
2023	(250,048)
2024	(101,115)
2025	(21,870)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 8. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$2,347,583,337	\$3,149,522,616
Collective deferred inflows of resources	7,849,949,467	7,645,087,574
Collective net pension liability	16,435,616,426	18,018,482,972
District's Proportion	0.0234537321%	0.0208249068%

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 8. PENSION PLANS: (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2020.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 8. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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, 2020 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, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$4,822,432	\$3,824,690	\$2,978,080

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). The financial report may be accessed at www.state.nj.us/treasury/pensions.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 8. PENSION PLANS: (continued)

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, 2021 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>45,144,564</u>
	<u>\$45,144,564</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2020. 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, 2020, the proportion of the TPAF net pension liability associated with the District was 0.0685579179%.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue of \$2,807,281 for contributions provided by the State in the District-Wide Financial Statements.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 8. PENSION PLANS: (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% (based on years of service)
Thereafter	2.75%-5.65% (based on years of service)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Health Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with a future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 8. PENSION PLANS: (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 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 contribution rate in the most recent fiscal year. The State contributed 78% of the actuary determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, 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.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 9. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

Plan Description and Benefits Provided

The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2020, the State contributed \$1.578 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have decreased with Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new Medicare advantage contracts. The Fiscal Year 2021 Appropriations Act includes \$1.775 billion as the State's contribution to fund "pay-as-you-go" PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/GASBnoticesOPEB.SHTML>.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2021 was as follows:

OPEB Liability:	
District's proportionate share	\$
State's proportionate share associated with the District	<u>41,507,958</u>
	<u>\$41,507,958</u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2020 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 4.45% based on service years	3.00 - 7.00% based on service years

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018 and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

(a) *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

(b) *Discount Rate*

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

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

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

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

For the year ended June 30, 2020, the board of education/board of trustees recognized on-behalf OPEB expense of \$2,211,622 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Fairview Board of Education's proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

NOTE 10. 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 11. RISK MANAGEMENT:

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

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, 2021**

NOTE 12. 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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$4,442,300
Increased by:	
Deposits Approved by Board Resolution	<u>4,700,000</u>
Ending Balance, June 30, 2021	<u>\$9,142,300</u>

NOTE 13. 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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$600,000
Increased by:	
Deposits Approved by Board Resolution	300,000
Decreased by:	
Budget Appropriations	<u>300,000</u>
Ending Balance, June 30, 2021	<u>\$600,000</u>

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021

NOTE 14. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] – Of the \$10,554,604 General Fund fund balance at June 30, 2021, \$198,875 is reserved for encumbrances; \$373,494 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$143,751 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2022); \$9,142,300 has been reserved in the Capital Reserve Account; \$600,000 has been reserved in the Tuition Reserve Account; \$279,800 of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ended June 30, 2022; (\$39,865) is unreserved and undesignated.

Special Revenue Fund - The Special Revenue Fund balance at June 30, 2021 of \$15,898 is reserved for Student Activities.

Debt Service Fund - The Debt Service Fund balance at June 30, 2021 of \$82,301 is unreserved and undesignated.

NOTE 15. 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, 2021 is \$373,494. Of this amount, \$229,743 is the result of current year's operations.

NOTE 16. RESTATEMENT

Net position for June 30, 2020 was restated to reflect the reclassification of the Student Activity Fund to the Special Revenue Fund as per Governmental Accounting Standards Board ("GASB") number 84. This resulted in restatement of net position and/or fund balance as of June 30, 2020 as follows:

	<u>Governmental Activities</u>	<u>Special Revenue Fund</u>	<u>Fiduciary Fund</u>
Net Position/Fund Balance at June 30, 2020	\$5,545,660	\$	\$18,169
Prior Period Adjustment for Implementation of GASB #84	<u>18,169</u>	<u>18,169</u>	<u>(18,169)</u>
Net Position/Fund Balance at June 30, 2020 - Restated	<u>\$5,563,829</u>	<u>\$18,169</u>	<u>\$0</u>

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

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.

NOTE 18. OTHER MATTERS

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. The Board has identified several risks as a result of this pandemic, including a possible delay in collection of District taxes and cash flow shortages as the result of these delayed collections. During the year, the District has received grants from the federal government for increase expenditures related to the COVID-19 pandemic. The Board will continue to monitor the situation closely.

NOTE 19. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through January 31, 2022, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

**FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	16,213,902		16,213,902	16,213,902	
Unrestricted Miscellaneous Revenues				139,048	139,048
Total - Local Sources	16,213,902		16,213,902	16,352,950	139,048
Revenues from State Sources:					
Categorical Special Education Aid	1,748,955		1,748,955	1,748,955	
Equalization Aid	15,495,480	(2,407,240)	13,088,240	13,088,240	
Categorical Security Aid	721,266		721,266	721,266	
Categorical Transportation Aid	159,545		159,545	159,545	
Extraordinary Aid				564,079	564,079
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				642,230	642,230
On-behalf TPAF Pension (non-budgeted)				2,011,071	2,011,071
On-behalf TPAF NCGI Premium (non-budgeted)				38,263	38,263
On-behalf TPAF LTDI				1,672	1,672
Reimbursed TPAF Social Security Contributions (non-budgeted)				587,619	587,619
Total - State Sources	18,125,246	(2,407,240)	15,718,006	19,562,940	3,844,934
Revenues from Federal Sources:					
Special Education Medicaid Initiative	55,230		55,230	35,429	(19,801)
FFRCA-SEMI				2,227	2,227
MAC				11,313	11,313
Total - Federal Sources	55,230		55,230	48,969	(6,261)
TOTAL REVENUES	34,394,378	(2,407,240)	31,987,138	35,964,859	3,977,721
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	83,270	(51,297)	31,973	28,413	3,560
Kindergarten - Salaries of Teachers	491,816	(67,094)	424,722	400,903	23,819
Grades 1-5 - Salaries of Teachers	2,433,211	(176,567)	2,256,644	2,190,006	66,638
Grades 6-8 - Salaries of Teachers	1,274,923	(75,804)	1,199,119	1,192,655	6,464
Regular Programs - Home Instruction:					
Salaries of Teachers	52,450		52,450	14,720	37,730
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	181,886	(18,009)	163,877	145,213	18,664
Other Purchased Services (400-500 series)	306,684	(33,665)	273,019	166,556	106,463
General Supplies	389,098	(191,450)	197,648	118,612	79,036
Textbooks	370,439	(202,189)	168,250	57,155	111,095
Other Objects	180,513		180,513	57,265	123,248
TOTAL REGULAR PROGRAMS - INSTRUCTION	5,764,290	(816,075)	4,948,215	4,371,498	576,717
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	481,385	(15,374)	466,011	462,796	3,215
Other Salaries for Instruction	208,378	(87,165)	121,213	104,186	17,027
General Supplies	4,000	(3,000)	1,000	267	733
Textbooks	5,000	(5,000)			
Other Objects	2,000		2,000	130	1,870
Total Learning and/or Language Disabilities	700,763	(110,539)	590,224	567,379	22,845
Resource Room/Resource Center:					
Salaries of Teachers	901,635	(110,765)	790,870	790,870	
Total Resource Room/Resource Center	901,635	(110,765)	790,870	790,870	
Preschool Disabilities- Full-Time:					
Salaries of Teachers	140,540	20,750	161,290	161,290	
Other Salaries for Instruction	95,888	(17,893)	77,995	74,995	3,000
General Supplies	5,233		5,233	132	5,101
Other Objects	2,500		2,500		2,500
Total Preschool Disabilities - Full-Time	244,161	2,857	247,018	236,417	10,601
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,846,559	(218,447)	1,628,112	1,594,666	33,446
Basic Skills/Remedial - Instruction					
Salaries of Teachers	197,050	(190,050)	7,000	6,000	1,000
General Supplies	3,000		3,000		3,000
Textbooks	2,500		2,500		2,500
Other Objects	2,500		2,500		2,500
Total Basic Skills/Remedial - Instruction	205,050	(190,050)	15,000	6,000	9,000

Exhibit C-1

**FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction					
Salaries of Teachers	965,075	(211,680)	753,395	698,727	54,668
Other Salaries for Instruction	27,753	(287)	27,466	18,479	8,987
General Supplies	5,000	287	5,287	5,154	133
Textbooks	2,000		2,000		2,000
Other Objects	1,000		1,000		1,000
Total Bilingual Education - Instruction	1,000,828	(211,680)	789,148	722,360	66,788
School-Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	45,553		45,553	1,820	43,733
Supplies and Materials	4,000		4,000	693	3,307
Total School-Sponsored Coextracurricular Activities - Instruction	49,553		49,553	2,513	47,040
School-Sponsored Athletics - Instruction					
Salaries	28,112		28,112	6,224	21,888
Supplies and Materials	5,000		5,000		5,000
Other Objects	1,000		1,000		1,000
Total School-Sponsored Athletics - Instruction	34,112		34,112	6,224	27,888
TOTAL INSTRUCTION	8,900,392	(1,436,252)	7,464,140	6,703,261	760,879
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	8,278,747	(1,203,456)	7,075,291	6,749,109	326,182
Tuition to Other LEAs Within the State - Special	3,146,416	849,645	3,996,061	3,227,883	768,178
Tuition to County Voc. School Dist. - Regular	333,751	(174,191)	159,560	107,392	52,168
Tuition to County Voc. School Dist. - Special	42,697	31,637	74,334	73,152	1,182
Tuition to CSSD & Regional Day Schools	1,293,738	482,867	1,776,605	1,590,598	186,007
Tuition to Private Schools for the Handicapped - Within State	431,774	(332,050)	99,724	33,358	66,366
Total Undistributed Expenditures - Instruction:	13,527,123	(345,548)	13,181,575	11,781,492	1,400,083
Undistributed Expend. - Attend. & Social Work					
Salaries	56,645	138,723	195,368	195,368	
Total Undistributed Expend. - Attend. & Social Work	56,645	138,723	195,368	195,368	
Undist. Expend. - Health Services					
Salaries	207,370	97,319	304,689	284,236	20,453
Purchased Professional and Technical Services	109,731	(52,245)	57,486	42,884	14,602
Supplies and Materials	8,197	263	8,460	7,113	1,347
Total Undistributed Expenditures - Health Services	325,298	45,337	370,635	334,233	36,402
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	150,715	5,817	156,532	105,268	51,264
Purchased Prof. Services-Educational Services	347,994	3,608	351,602	348,716	2,886
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	498,709	9,425	508,134	453,984	54,150
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	56,645	117	56,762	56,645	117
Total Undist. Expend. - Guidance	56,645	117	56,762	56,645	117
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	323,400	2,954	326,354	320,046	6,308
Salaries of Secretarial and Clerical Assistants	114,790	(4,130)	110,660	108,759	1,901
Total Undist. Expend. - Child Study Teams	438,190	(1,176)	437,014	428,805	8,209
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	56,945	2,378	59,323	58,645	678
Total Undist. Expend. - Educational Media Serv./Sch. Library	56,945	2,378	59,323	58,645	678
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	357,249	(26,544)	330,705	329,154	1,551
Legal Services	86,529	(4,268)	82,261	59,116	23,145
Audit Fees	105,750	(29,250)	76,500	36,500	40,000
Architectural/Engineering Services	74,860	(36,750)	38,110		38,110
Purchased Technical Services	31,085	12,495	43,580	43,580	
Communications/Telephone	31,433	3,144	34,577	33,191	1,386
Other Purch Services (400-500 Series)	20,362	(13,645)	6,717	6,717	
General Supplies	36,340		36,340	23,382	12,958
Misc. Expenditures	31,179	(1,994)	29,185	20,859	8,326
BOE Membership Dues and Fees	7,300		7,300	500	6,800
Total Undist. Expend. - Supp. Serv. - General Administration	782,087	(96,812)	685,275	552,999	132,276
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	661,096	(106,664)	554,432	554,432	
Salaries of Secretarial and Clerical Assistants	241,549	16,366	257,915	217,061	40,854
Total Undist. Expend. - Support Serv. - School Administration	902,645	(90,298)	812,347	771,493	40,854
Undist. Expend. - Support Serv. - Central Services					
Salaries	405,783	(4,758)	401,025	390,008	11,017
Unused Vacation Payment to Terminated/Retired Staff	25,000		25,000		25,000
Supplies and Materials	13,377		13,377	10,989	2,388
Total Undist. Expend. - Support Serv. - Central Services	444,160	(4,758)	439,402	400,997	38,405

Exhibit C-1

**FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	111,949	9,475	121,424	121,424	
Other Purch Services (400-500 Series)	10,000	(6,700)	3,300		3,300
Total Undist. Expend. - Support Serv. - Administrative					
Information Technology	<u>121,949</u>	<u>2,775</u>	<u>124,724</u>	121,424	3,300
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	58,999	1,983	60,982	60,982	
Cleaning, Repair and Maintenance Services	111,150		111,150	63,979	47,171
General Supplies	44,736		44,736	11,863	32,873
Undist. Expend. - Required Maint. for School Facilities	<u>214,885</u>	<u>1,983</u>	<u>216,868</u>	136,824	80,044
Undist. Expend. - Custodial Services (262)					
Salaries	598,282	(78,159)	520,123	462,281	57,842
Purchased Prof. And Tech. Services	2,500	6,000	8,500	8,008	492
Cleaning, Repair and Maintenance Services	10,727	213,156	223,883	125,719	98,164
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt.	231,585	(376)	231,209	231,209	
Other Purchased Property Services	17,500	1,164	18,664	17,264	1,400
Insurance	175,000	(6,628)	168,372	168,369	3
Miscellaneous Purchased Services	6,000		6,000	4,822	1,178
General Supplies	58,743		58,743	53,843	4,900
Energy (Natural Gas)	86,000	(20,000)	66,000	41,941	24,059
Energy (Electricity)	166,557	(45,148)	121,409	107,992	13,417
Energy (Gasoline)	52,845	(10,000)	42,845	3,489	39,356
Total Undist. Expend. - Custodial Services	<u>1,405,739</u>	<u>60,009</u>	<u>1,465,748</u>	1,224,937	240,811
Undist. Expend. - Security					
Salaries	298,943	(233,468)	65,475	50,820	14,655
Purchased Professional and Technical Services	148,951		148,951	128,994	19,957
Total Undist. Expend. - Security	<u>447,894</u>	<u>(233,468)</u>	<u>214,426</u>	179,814	34,612
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet. Home & Sch.) - Regular	10,985		10,985		10,985
Salaries for Pupil Trans (Bet. Home & Sch.) - Sp Ed	138,708	26,525	165,233	145,932	19,301
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	5,000	(5,000)			
Cleaning, Repair and Maintenance Services	22,500	(4,761)	17,739	10,875	6,864
Lease Purchase Payments - School Buses	130,000	(130,000)			
Contract Services (Between Home & School)-Vendors	279,150	79,828	358,978	343,944	15,034
Contract Services (Sp. Ed. Students)-Vendors	58,280	50,552	108,832	100,701	8,131
Miscellaneous Purchased Services - Transportation	1,000		1,000	768	232
General Supplies	12,000	722	12,722	12,722	
Miscellaneous Expenditures	600	600	600	450	150
Total Undist. Expend. - Student Transportation Services	<u>657,623</u>	<u>18,466</u>	<u>676,089</u>	615,392	60,697
ALLOCATED BENEFITS					
Support Services - Central Services					
Unused Sick Payment to Terminated/Retired Staff	108,000	(20,000)	88,000	25,000	63,000
TOTAL ALLOCATED BENEFITS	<u>108,000</u>	<u>(20,000)</u>	<u>88,000</u>	25,000	63,000
UNALLOCATED BENEFITS					
Social Security Contributions	162,824	(17,969)	144,855	138,369	6,486
T.P.A.F. Contributions - ERIP	58,345	(58,345)			
Other Retirement Contributions-PERS	220,787	64,063	284,850	284,850	
Unemployment Compensation	35,647	(5,194)	30,453	26,796	3,657
Workmen's Compensation	150,871		150,871	117,134	33,737
Health Benefits	3,034,303	(216,603)	2,817,700	2,405,238	412,462
Other Employee Benefits	161,000		161,000	147,960	13,040
TOTAL UNALLOCATED BENEFITS	<u>3,823,777</u>	<u>(234,048)</u>	<u>3,589,729</u>	3,120,347	469,382
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				642,230	(642,230)
On-behalf TPAF Pension (non-budgeted)				2,011,071	(2,011,071)
On-behalf TPAF NCGI Premium (non-budgeted)				38,263	(38,263)
On-behalf TPAF LTDI				1,672	(1,672)
Reimbursed TPAF Social Security Contributions (non-budgeted)				587,619	(587,619)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>3,280,855</u>	<u>(3,280,855)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>3,931,777</u>	<u>(254,048)</u>	<u>3,677,729</u>	6,426,202	(2,748,473)
TOTAL UNDISTRIBUTED EXPENDITURES	<u>23,868,314</u>	<u>(746,895)</u>	<u>23,121,419</u>	23,739,254	(617,835)
TOTAL GENERAL CURRENT EXPENSE	<u>32,768,706</u>	<u>(2,183,147)</u>	<u>30,585,559</u>	30,442,515	143,044

Exhibit C-1

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Legal Services	10,000		10,000		10,000
Architectural/Engineering Services	33,700	21,159	54,859	54,859	
Construction Services	93,800		93,800	93,800	
Supplies and Materials	85,000	(21,159)	63,841	37,274	26,567
Total Facilities Acquisition and Construction Services	<u>222,500</u>		<u>222,500</u>	<u>185,933</u>	<u>36,567</u>
TOTAL CAPITAL OUTLAY	<u>222,500</u>		<u>222,500</u>	<u>185,933</u>	<u>36,567</u>
Transfer of Funds to Charter Schools	<u>30,317</u>		<u>30,317</u>	<u>26,197</u>	<u>4,120</u>
TOTAL EXPENDITURES	<u>33,021,523</u>	<u>(2,183,147)</u>	<u>30,838,376</u>	<u>30,654,645</u>	<u>183,731</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,372,855</u>	<u>(224,093)</u>	<u>1,148,762</u>	<u>5,310,214</u>	<u>4,161,452</u>
Other Financing Sources/(Uses):					
Operating Transfers Out:					
Capital Outlay - Transfer to Capital Projects	(2,500,000)	224,093	(2,275,907)		(2,275,907)
Total Other Financing Sources/(Uses):	<u>(2,500,000)</u>	<u>224,093</u>	<u>(2,275,907)</u>		<u>(2,275,907)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(1,127,145)</u>		<u>(1,127,145)</u>	<u>5,310,214</u>	<u>6,437,359</u>
Fund Balance, July 1	<u>6,943,286</u>		<u>6,943,286</u>	<u>6,943,286</u>	
Fund Balance, June 30	<u>5,816,141</u>		<u>5,816,141</u>	<u>12,253,500</u>	<u>6,437,359</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(599,785)		(599,785)	(599,785)	
Increase in Capital Reserve:					
Principal				4,700,000	4,700,000
Interest Deposit to Capital Reserve			100		(100)
Increase in Tuition Reserve				300,000	300,000
Withdrawal from Tuition Reserve - for Tuition Adj.	(300,000)		(300,000)	(300,000)	
Budgeted Fund Balance	<u>(227,360)</u>		<u>(227,460)</u>	<u>1,209,999</u>	<u>1,437,459</u>
	<u>(1,127,145)</u>		<u>(1,127,145)</u>	<u>5,310,214</u>	<u>6,437,359</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				229,743	
Excess Surplus - Designated for Subsequent Year's Expenditures				143,751	
Tuition Reserve - Designated for Subsequent Year's Budget				300,000	
Tuition Reserve				300,000	
Capital Reserve				9,142,300	
Assigned Fund Balance:					
Year-end Encumbrances				198,875	
Designated for Subsequent Year's Expenditures				279,800	
Unassigned Fund Balance				1,659,031	
Total Fund Balance per Governmental Funds (Budgetary)				<u>12,253,500</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				1,698,896	
Total Fund Balance per Governmental Funds (GAAP)				<u>10,554,604</u>	

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
REVENUES:						
Local Sources		21,932	21,932	9,329	12,603	note 1
State Sources	300,292	2,384,131	2,684,423	902,650	1,781,773	
Federal Sources	1,115,494	1,972,357	3,087,851	2,357,506	730,345	
Total Revenues	1,415,786	4,378,420	5,794,206	3,269,485	2,524,721	
EXPENDITURES:						
Instruction:						
Salaries of Teachers	553,483	1,034,470	1,587,953	882,160	705,793	
Other Salaries for Instruction	5,200	249,864	255,064	43,184	211,880	
Purchased Professional and Technical Services	216,490	118,631	335,121	178,816	156,305	
Other Purchased Services (400-500 series)	339,712	33,882	373,594	373,594	-	
General Supplies	35,065	665,381	700,446	499,254	201,192	
Textbooks	14,667	5,737	20,404	20,403	1	
Total instruction	1,164,617	2,107,965	3,272,582	1,997,411	1,275,171	
Support services:						
Salaries of Supervisors of Instruction	6,264	85,000	91,264	42,949	48,315	
Salaries of Program Directors		144,638	144,638	24,685	119,953	
Salaries of Other Professional Staff	5,000	57,691	62,691	34,775	27,916	
Salaries of Secretarial and Clerical Assistants	5,000	101,227	106,227	11,693	94,534	
Other Salaries	5,000	61,504	66,504	4,000	62,504	
Personal Services - Employee Benefits	53,975	580,989	634,964	184,757	450,207	
Purchased Professional and Technical Services	118,015	139,697	257,712	193,592	64,120	
Rentals		190,420	190,420	160,820	29,600	
Other Purchased Services (400-500 series)	28,424	90,274	118,698	55,690	63,008	
Supplies & Materials	17,331	193,183	210,514	116,471	94,043	
Student Activity Disbursements				11,600	(11,600)	note 1
Total support services	239,009	1,644,623	1,883,632	841,032	1,042,600	
Facilities acquisition and const. serv.:						
Instructional Equipment	12,160	400,032	412,192	393,401	18,791	
Noninstructional Equipment		225,800	225,800	39,912	185,888	
Total facilities acquisition and const. serv.	12,160	625,832	637,992	433,313	204,679	
Total Expenditures	1,415,786	4,378,420	5,794,206	3,271,756	2,522,450	
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Uses)	-	-	-	(2,271)	2,271	
Fund Balance, July 1						
Prior Period Adjustment				18,169	*	
Fund Balance, July 1 (Restated)				18,169		
Fund Balance, June 30				15,898		
Recapitulation:						
Restricted:						
Student Activities				\$ 15,898		
Total Fund Balance				\$ 15,898		

note 1 Not required to budget for student activity funds

* - Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups.

FAIRVIEW BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2021

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	35,964,859	3,269,485
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			169,886
Current Year			(346,553)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,374,910	
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).		(1,698,896)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	35,640,873	3,092,818
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	30,654,645	3,271,756
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			169,886
Current Year			(346,553)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	30,654,645	3,095,089

**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	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	District's 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%
2017	0.0222477688%	\$ 6,589,151	\$ 1,478,346	445.71%	100.77%
2018	0.0225954810%	\$ 5,259,867	\$ 1,196,499	439.60%	90.77%
2019	0.0202396400%	\$ 3,985,084	\$ 1,539,092	258.92%	83.06%
2020	0.0208249068%	\$ 3,752,332	\$ 1,653,613	226.92%	78.30%
2021	0.0234537321%	\$ 3,824,690	\$ 1,618,804	236.27%	73.38%

* 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 Required Contribution		Contributions in Relations to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered-Employee Payroll		Contributions as a Percentage of PERS Covered-Employee Payroll
	Contractually Required Contribution	Contractually Required Contributions	Contractually Required Contributions	Contractually Required Contributions		District's PERS Covered-Employee Payroll	District's PERS Covered-Employee Payroll	
2015	172,670	(172,670)			-	1,500,065	1,500,065	11.51%
2016	174,559	(174,559)			-	1,512,860	1,512,860	11.54%
2017	197,646	(197,646)			-	1,478,346	1,478,346	13.37%
2018	209,323	(209,323)			-	1,196,499	1,196,499	17.49%
2019	201,319	(201,319)			-	1,539,092	1,539,092	13.08%
2020	202,565	(202,565)			-	1,653,613	1,653,613	12.25%
2021	256,572	(256,572)			-	1,618,804	1,618,804	15.85%

* 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 Covered Payroll - TPAF 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
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)	Share of the Net Pension Liability	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%	33.64%			
2016	0.0645746143%	\$ -	\$ 40,813,914	7,295,907	0.00%	28.71%			
2017	0.0658413192%	\$ -	\$ 51,794,974	7,159,082	0.00%	22.33%			
2018	0.0701525530%	\$ -	\$ 47,299,381	7,248,996	0.00%	25.41%			
2019	0.0729300954%	\$ -	\$ 46,396,560	7,627,645	0.00%	26.49%			
2020	0.0672837896%	\$ -	\$ 41,292,697	8,032,169	0.00%	26.95%			
2021	0.0685579179%	\$ -	\$ 45,144,564	8,117,873	0.00%	24.60%			

* 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, 2021

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 (3.50%) to the current measurement date (2.21%), resulting in a change in the discount rate from 6.28% to 7.00%. 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 (3.50%) to the current measurement date (2.21%), resulting in a change in the discount rate from 5.60% to 5.40%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

FAIRVIEW BOARD OF EDUCATION
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
*Last 10 Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Costs	\$ 1,243,996	\$ 1,170,009	\$ 1,361,662	\$ 1,639,352
Interest on Total OPEB Liability	909,353	1,126,956	1,212,593	1,038,389
Differences between Expected and Actual Experiences	7,388,395	(5,159,274)	(3,144,882)	
Changes in Assumptions	7,582,078	374,017	(3,249,902)	(4,231,867)
Gross Benefit Payments	(722,619)	(770,030)	(757,276)	(761,385)
Contribution from the Member	21,903	22,826	26,173	28,036
Net Changes in total Share of OPEB Liability	<u>16,423,106</u>	<u>(3,235,496)</u>	<u>(4,551,632)</u>	<u>(2,287,475)</u>
Total OPEB Liability - Beginning	<u>25,084,852</u>	<u>28,320,348</u>	<u>32,871,980</u>	<u>35,159,455</u>
Total OPEB Liability - Ending	<u>\$ 41,507,958</u>	<u>\$ 25,084,852</u>	<u>\$ 28,320,348</u>	<u>\$ 32,871,980</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>41,507,958</u>	<u>25,084,852</u>	<u>28,320,348</u>	<u>32,871,980</u>
Total OPEB Liability - Ending	<u>\$ 41,507,958</u>	<u>\$ 25,084,852</u>	<u>\$ 28,320,348</u>	<u>\$ 32,871,980</u>
District's Covered Employee Payroll	<u>\$ 9,736,677</u>	<u>\$ 9,685,782</u>	<u>\$ 9,166,737</u>	<u>\$ 8,445,495</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Change in benefit terms None

Change in assumptions Assumptions used in calculating the OPEB liability are presented
in Note 8.

* GASB requires that ten years of information be presented. However, since fiscal year 2019 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

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, 2021

	Total Brought Forward (Ex. E-1a)	CARES Act	IDEA Part - B	IDEA Part - B Preschool	ESEA Title I	Title I Part A Reallocation	Totals 2021
REVENUES							
Local Sources	9,329						9,329
State Sources	902,650						902,650
Federal Sources	618,791	538,946	464,621	10,422	694,312	30,414	2,357,506
Total Revenues	1,530,770	538,946	464,621	10,422	694,312	30,414	3,269,485
EXPENDITURES:							
Instruction:							
Salaries of Teachers	596,644				285,516		882,160
Other Salaries for Instruction	43,184						43,184
Purchased Professional and Technical Services	123,699				55,117		178,816
Other Purchased Services (400-500 series)	-		373,594				373,594
General Supplies	159,901	135,382			173,557	30,414	499,254
Textbooks	20,403						20,403
Total instruction	943,831	135,382	373,594	-	514,190	30,414	1,997,411
Support services:							
Salaries of Supervisors of Instruction	42,949						42,949
Salaries of Program Directors	24,685						24,685
Salaries of Other Professional Staff	4,000		30,775				34,775
Salaries of Secretarial and Clerical Assistants	11,693						11,693
Other Salaries	4,000						4,000
Personal Services - Employee Benefits	58,078		2,354		124,325		184,757
Purchased Professional and Technical Services	117,710		44,460	10,422	21,000		193,592
Rentals	160,820						160,820
Other Purchased Services (400-500 series)	55,690						55,690
Supplies & Materials	-	68,236	13,438		34,797		116,471
Student Activity Disbursements	11,600						11,600
Total support services	491,225	68,236	91,027	10,422	180,122	-	841,032
Facilities acquisition and const. serv.:							
Instructional Equipment	58,073	335,328					393,401
Noninstructional Equipment	39,912						39,912
Total facilities acquisition and const. serv.	97,985	335,328	-	-	-	-	433,313
Total Expenditures	1,533,041	538,946	464,621	10,422	694,312	30,414	3,271,756
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(2,271)						(2,271)
Fund Balance, July 1	18,169						18,169
Prior Period Adjustment	18,169						18,169
Fund Balance, July 1 (Restated)	15,898						15,898

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures – Budgetary Basis
Fiscal Year Ended June 30, 2021

	Total Brought Forward (Ex. E-1b)	ESEA Title II, Part A Training & Recruiting	ESEA Title III	ESEA Title IV	Non-Public Digital Divide	CARES Act - Bergen County	Total Carried Forward
REVENUES							
Local Sources	9,329						9,329
State Sources	902,650						902,650
Federal Sources	229,572	123,938	38,512	23,770	14,529	188,470	618,791
Total Revenues	1,141,551	123,938	38,512	23,770	14,529	188,470	1,530,770
EXPENDITURES:							
Instruction:							
Salaries of Teachers	393,645				14,529	188,470	596,644
Other Salaries for Instruction	43,184						43,184
Purchased Professional and Technical Services	122,699			1,000			123,699
Other Purchased Services (400-500 series)	-						-
General Supplies	114,013		38,512	7,376			159,901
Textbooks	20,403						20,403
Total instruction	693,944	-	38,512	8,376	14,529	188,470	943,831
Support services:							
Salaries of Supervisors of Instruction	42,949						42,949
Salaries of Program Directors	24,685						24,685
Salaries of Other Professional Staff	4,000						4,000
Salaries of Secretarial and Clerical Assistants	11,693						11,693
Other Salaries	4,000						4,000
Personal Services - Employee Benefits	58,078						58,078
Purchased Professional and Technical Services	34,068	68,248		15,394			117,710
Rentals	160,820						160,820
Other Purchased Services (400-500 series)	-	55,690					55,690
Supplies & Materials	-						-
Student Activity Disbursements	11,600						11,600
Total support services	351,893	123,938	-	15,394	-	-	491,225
Facilities acquisition and const. serv.:							
Instructional Equipment	58,073						58,073
Noninstructional Equipment	39,912						39,912
Total facilities acquisition and const. serv.	97,985	-	-	-	-	-	97,985
Total Expenditures	1,143,822	123,938	38,512	23,770	14,529	188,470	1,533,041
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(2,271)						(2,271)
Fund Balance, July 1	18,169						18,169
Prior Period Adjustment							
Fund Balance, July 1 (Restated)	18,169						18,169
Fund Balance, June 30	15,898						15,898

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures – Budgetary Basis
Fiscal Year Ended June 30, 2021

	Total Brought Forward (Ex. E-1c)	Corona Relief Fund	School Security (Abyssas Law)	Nonpublic Nursing	Chapter 194 Nonpublic Textbook	Nonpublic Security	Total Carried Forward
REVENUES							
Local Sources	9,329						9,329
State Sources	750,194		39,912	34,068	20,403	58,073	902,650
Federal Sources	-	229,572					229,572
Total Revenues	759,523	229,572	39,912	34,068	20,403	58,073	1,141,551
EXPENDITURES:							
Instruction:							
Salaries of Teachers	164,073	229,572					393,645
Other Salaries for Instruction	43,184						43,184
Purchased Professional and Technical Services	122,699						122,699
Other Purchased Services (400-500 series)	-						-
General Supplies	114,013				20,403		114,013
Textbooks	-						20,403
Total instruction	443,969	229,572	-	-	20,403	-	693,944
Support services:							
Salaries of Supervisors of Instruction	42,949						42,949
Salaries of Program Directors	24,685						24,685
Salaries of Other Professional Staff	4,000						4,000
Salaries of Secretarial and Clerical Assistants	11,693						11,693
Other Salaries	4,000						4,000
Personal Services - Employee Benefits	58,078						58,078
Purchased Professional and Technical Services	-			34,068			34,068
Rentals	160,820						160,820
Other Purchased Services (400-500 series)	-						-
Supplies & Materials	-						-
Student Activity Disbursements	11,600						11,600
Total support services	317,825	-	-	34,068	-	-	351,893
Facilities acquisition and const. serv.:							
Instructional Equipment	-		39,912			58,073	58,073
Noninstructional Equipment	-						39,912
Total facilities acquisition and const. serv.	-	-	39,912	-	-	58,073	97,985
Total Expenditures	761,794	229,572	39,912	34,068	20,403	58,073	1,143,822
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(2,271)	-	-	-	-	-	(2,271)
Fund Balance, July 1	18,169						18,169
Prior Period Adjustment	-						-
Fund Balance, July 1 (Restated)	18,169						18,169
Fund Balance, June 30	15,898						15,898

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2021

	Total Brought Forward (Ex. E-1d)	Preschool Education Aid	Chapter 192 Comp. Ed.	Chapter 192 ESL	Chapter 193 Supplemental Instruction	Total Carried Forward
REVENUES						
Local Sources	9,329					9,329
State Sources	29,663	627,495	68,364	16,253	8,419	750,194
Federal Sources	-					-
Total Revenues	38,992	627,495	68,364	16,253	8,419	759,523
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-	164,073				164,073
Other Salaries for Instruction	-	43,184				43,184
Purchased Professional and Technical Services	29,663		68,364	16,253	8,419	122,699
Other Purchased Services (400-500 series)	-					-
General Supplies	-	114,013				114,013
Textbooks	-					-
Total instruction	29,663	321,270	68,364	16,253	8,419	443,969
Support services:						
Salaries of Supervisors of Instruction	-	42,949				42,949
Salaries of Program Directors	-	24,685				24,685
Salaries of Other Professional Staff	-	4,000				4,000
Salaries of Secretarial and Clerical Assistants	-	11,693				11,693
Other Salaries	-	4,000				4,000
Personal Services - Employee Benefits	-	58,078				58,078
Purchased Professional and Technical Services	-					-
Rentals	-	160,820				160,820
Other Purchased Services (400-500 series)	-					-
Supplies & Materials	-					-
Student Activity Disbursements	11,600					11,600
Total support services	11,600	306,225	-	-	-	317,825
Facilities acquisition and const. serv.:						
Instructional Equipment	-					-
Noninstructional Equipment	-					-
Total facilities acquisition and const. serv.	-	-	-	-	-	-
Total Expenditures	41,263	627,495	68,364	16,253	8,419	761,794
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(2,271)					(2,271)
Fund Balance, July 1	18,169					18,169
Prior Period Adjustment	-					-
Fund Balance, July 1 (Restated)	18,169					18,169
Fund Balance, June 30	15,898					15,898

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures – Budgetary Basis
Fiscal Year Ended June 30, 2021

	Chapter 193 Exam & Classification	Chapter 193 Corrective Speech	Public School Account	Total Carried Forward
REVENUES				
Local Sources			9,329	9,329
State Sources	17,086	12,577		29,663
Federal Sources				-
Total Revenues	17,086	12,577	9,329	38,992
EXPENDITURES:				
Instruction:				
Salaries of Teachers				-
Other Salaries for Instruction				-
Purchased Professional and Technical Services	17,086	12,577		29,663
Other Purchased Services (400-500 series)				-
General Supplies				-
Textbooks				-
Total instruction	17,086	12,577	-	29,663
Support services:				
Salaries of Supervisors of Instruction				-
Salaries of Program Directors				-
Salaries of Other Professional Staff				-
Salaries of Secretarial and Clerical Assistants				-
Other Salaries				-
Personal Services - Employee Benefits				-
Purchased Professional and Technical Services				-
Rentals				-
Other Purchased Services (400-500 series)				-
Supplies & Materials				-
Student Activity Disbursements			11,600	11,600
Total support services	-	-	11,600	11,600
Facilities acquisition and const. serv.:				
Instructional Equipment				-
Noninstructional Equipment				-
Total facilities acquisition and const. serv.	-	-	-	-
Total Expenditures	17,086	12,577	11,600	41,263
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	(2,271)	(2,271)
Fund Balance, July 1				-
Prior Period Adjustment			18,169 *	18,169
Fund Balance, July 1 (Restated)			18,169	18,169
Fund Balance, June 30			15,898	15,898

* Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2021

	District Wide Total		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of teachers	708,656	164,073	544,583
Other salaries for instruction	255,064	43,184	211,880
General supplies	145,435	114,013	31,422
	1,109,155	321,270	787,885
Total instruction			
Support services:			
Salaries of Supervisors of Instruction	91,264	42,949	48,315
Salaries of Program Directors	144,638	24,685	119,953
Salaries of Other Professional Staff	4,000	4,000	
Salaries of Secr. and Clerical Assistants	106,227	11,693	94,534
Other Salaries	49,780	4,000	45,780
Personal Services - Employee Benefits	501,252	58,078	443,174
Cleaning, Repair and Maintenance Services	31,259		31,259
Rentals	190,420	160,820	29,600
	1,118,840	306,225	812,615
Total support services			
	2,227,995	627,495	1,600,500
Total expenditures			

Summary of Location Totals

Total revised 2020-21 Preschool Education Aid	2,227,995
Add: Actual Carryover (June 30, 2020)	509
Add: Budgeted Transfer from the General Fund 2020-21	
Total Preschool Education Aid Funds Available for 2020-21 Budget	2,228,504
Less: 2019-20 Budgeted Preschool Education Aid	
(prior year budgeted carryover)	2,227,995
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	509
Add: June 30, 2021 Unexpended Preschool Education Aid	1,600,500
2020-21 Carryover - Preschool Education Aid/Preschool	1,601,009
2020-21 Preschool Education Aid Carryover	
Budgeted for Preschool Programs 2021-22	

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, 2021

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	-
Equipment purchases	-
	-

Total expenditures	-
--------------------	---

Excess (deficiency) of revenues over (under) expenditures	-
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Net change in fund balance	-
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Fund balance - beginning	241,279
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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, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Bond proceeds and transfers			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay	399,000		399,000	399,000
	399,000	-	399,000	399,000
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	395,550		395,550	399,000
Equipment purchases			-	
	395,550	-	395,550	399,000
Excess (deficiency) of revenues over (under) expenditures	3,450	-	3,450	-
Additional project information:				
Project number	1470-060-15-1000			
Grant Date	4/28/2015			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	571,908			
Additional authorized cost	(172,908)			
Revised authorized cost	399,000			
Percentage increase over original authorized cost	(0.30)			
Percentage completion	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, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	213,958		213,958	213,958
Bond proceeds and transfers			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay	544,400		544,400	544,400
	<u>758,358</u>	<u>-</u>	<u>758,358</u>	<u>758,358</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	544,400		544,400	758,358
Equipment purchases			-	
	<u>544,400</u>	<u>-</u>	<u>544,400</u>	<u>758,358</u>
Excess (deficiency) of revenues over (under) expenditures	<u>213,958</u>	<u>-</u>	<u>213,958</u>	<u>-</u>
Additional project information:				
Project number	1470-060-14-1001			
Grant Date	1/6/2014			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	367,439			
Additional authorized cost	390,919			
Revised authorized cost	758,358			
Percentage increase over original authorized cost	1.06			
Percentage completion	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, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Bond proceeds and transfers			-	
Transfers from Capital Reserve	291,300		291,300	291,300
Transfers from Capital Outlay			-	
	<u>291,300</u>	<u>-</u>	<u>291,300</u>	<u>291,300</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	267,429		267,429	291,300
Equipment purchases			-	
	<u>267,429</u>	<u>-</u>	<u>267,429</u>	<u>291,300</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,871</u>	<u>-</u>	<u>23,871</u>	<u>-</u>
Additional project information:				
Project number		N/A		
Grant Date		N/A		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorization cost	291,300			
Additional authorized cost				
Revised authorized cost	291,300			
Percentage increase over original authorized cost		-		
Percentage completion		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, 2021

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2021
			Prior Years	Current Year	
Lincoln School Bathroom Renovations	2014-2015	399,000	395,550	-	3,450
Lincoln School Window Replacement	2014-2015	758,358	544,400	-	213,958
Lincoln School Roof Replacement	2014-2015	291,300	267,429	-	23,871
		<u>1,448,658</u>	<u>1,207,379</u>	<u>-</u>	<u>241,279</u>

PROPRIETARY FUNDS

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2021

	Food Service Program	Totals
	<u> </u>	<u> </u>
ASSETS		
Current assets:		
Cash and cash equivalents	100,180	100,180
Accounts receivable:		
State	2,202	2,202
Federal	35,899	35,899
Total current assets	<u>138,281</u>	<u>138,281</u>
Noncurrent assets:		
Capital assets:		
Equipment	57,953	57,953
Less accumulated depreciation	<u>(57,224)</u>	<u>(57,224)</u>
Total capital assets (net of accumulated depreciation)	<u>729</u>	<u>729</u>
Total assets	<u>139,010</u>	<u>139,010</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	<u>29,106</u>	<u>29,106</u>
Total Liabilities	<u>29,106</u>	<u>29,106</u>
NET POSITION		
Net Investment in Capital Assets	729	729
Unrestricted	109,175	109,175
Total net position	<u>109,904</u>	<u>109,904</u>

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2021

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales-reimbursable programs		-
Total operating revenues	-	-
 Operating expenses:		
Cost of sales-reimbursable programs	328,238	328,238
Supplies and materials	16,212	16,212
Depreciation	163	163
Total Operating Expenses	344,613	344,613
Operating income (loss)	(344,613)	(344,613)
 Nonoperating revenues (expenses):		
State sources:		
School lunch program	9,366	9,366
Federal sources:		
School lunch program	190,721	190,721
School breakfast program	119,907	119,907
Summer food service program	55,492	55,492
P-EBT Administrative Costs	2,944	2,944
Emergency Operational Program Cost-School	3,063	3,063
Interest Income	83	83
Total nonoperating revenues (expenses)	381,576	381,576
Income (loss) before contributions & transfers	36,963	36,963
 Total net position—beginning	72,941	72,941
Total net position—ending	109,904	109,904

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2021

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers	(344,156)	(344,156)
Net cash provided by (used for) operating activities	(344,156)	(344,156)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	8,729	8,729
Federal Sources	361,160	361,160
Net cash provided by (used for) non-capital financing activities	369,889	369,889
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	83	83
Net cash provided by (used for) investing activities	83	83
Net increase (decrease) in cash and cash equivalents	25,816	25,816
Balances—beginning of year	74,364	74,364
Balances—end of year	100,180	100,180
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(344,613)	(344,613)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	163	163
Increase (decrease) in accounts payable	294	294
Total adjustments	457	457
Net cash provided by (used for) operating activities	(344,156)	(344,156)

LONG-TERM DEBT

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy					
Total Local Sources	-	-	-	-	-
Total Revenues	-	-	-	-	-
EXPENDITURES:					
Regular Debt Service:					
Interest - Pension Refunding Bonds					-
Redemption of Principal - Pension Refunding Bonds					-
Total Regular Debt Service	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	82,301		82,301	82,301	-
Fund Balance, June 30	<u>82,301</u>		<u>82,301</u>	<u>82,301</u>	<u>-</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance					
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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

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

	2012	Restated 2013	2014	2015	2016	2017	2018	Restated 2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 4,162,814	\$ 3,629,574	\$ 3,727,754	\$ 4,278,874	\$ 4,107,255	\$ 3,996,197	\$ 3,894,729	\$ 3,732,246	\$ 4,598,744	\$ 4,645,542
Restricted	1,072,003	1,547,555	2,567,177	2,430,542	1,840,297	1,686,085	924,094	4,431,696	6,336,776	10,918,049
Unrestricted	(740,638)	(416,505)	(685,892)	(4,226,336)	(4,367,207)	(4,908,486)	(5,245,331)	(5,436,352)	(5,389,860)	(4,926,852)
Total governmental activities net assets/position	\$ 4,494,179	\$ 4,760,624	\$ 5,609,039	\$ 2,483,080	\$ 1,580,345	\$ 773,796	\$ (426,508)	\$ 2,727,590	\$ 5,545,660	\$ 10,636,739
Business-type activities										
Net investment in capital assets	\$ 4,039	\$ 21,719	\$ 17,514	\$ 13,382	\$ 9,321	\$ 6,292	\$ 4,297	\$ 1,055	\$ 892	\$ 729
Restricted	25,851	32,370	47,235	58,879	87,950	116,594	46,199	65,730	72,049	109,175
Unrestricted	(29,890)	(54,089)	(64,749)	(72,261)	(97,271)	(122,886)	(50,496)	(66,785)	(72,941)	(109,904)
Total business-type activities net assets/position	\$ 29,890	\$ 54,089	\$ 64,749	\$ 72,261	\$ 97,271	\$ 122,886	\$ 50,496	\$ 66,785	\$ 72,941	\$ 109,904
District-wide										
Net investment in capital assets	\$ 4,166,853	\$ 3,651,293	\$ 3,745,268	\$ 4,292,256	\$ 4,116,576	\$ 4,002,489	\$ 3,899,026	\$ 3,733,301	\$ 4,599,636	\$ 4,646,271
Restricted	1,072,003	1,547,555	2,567,177	2,430,542	1,840,297	1,686,085	924,094	4,431,696	6,336,776	10,918,049
Unrestricted	(714,787)	(384,135)	(638,657)	(4,167,457)	(4,279,257)	(4,791,892)	(5,199,132)	(5,370,622)	(5,317,811)	(4,817,677)
Total district net assets/position	\$ 4,524,069	\$ 4,814,713	\$ 5,673,788	\$ 2,555,341	\$ 1,677,616	\$ 896,682	\$ (376,012)	\$ 2,794,375	\$ 5,618,601	\$ 10,746,643

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,782,768	\$ 4,420,441	\$ 4,624,714	\$ 5,851,323	\$ 5,434,612	\$ 6,927,377	\$ 7,970,841	\$ 6,433,660	\$ 6,670,042	\$ 5,950,066
Special education	2,236,828	2,304,755	2,975,019	3,177,747	3,392,487	2,571,285	2,467,880	3,677,370	3,731,385	4,119,755
Other special education	814,909	823,416	1,000,664	903,934	1,079,531	1,451,388	1,726,273	1,138,957	1,372,710	1,015,787
Other instruction	41,813	41,975	40,468	55,423	55,925	65,993	66,700	64,507	54,718	11,934
Support Services:										
Tuition	7,731,156	8,369,482	7,212,821	7,632,695	8,291,898	8,847,632	10,987,429	9,975,534	11,466,811	11,781,492
Student & instruction related services	1,800,445	1,873,252	2,031,343	2,220,215	2,503,010	2,542,014	2,424,431	2,470,848	2,205,690	2,764,045
School administrative services	710,932	720,155	711,639	892,615	936,880	1,087,819	1,049,923	1,128,536	1,178,699	1,078,110
General administrative services	558,411	619,650	650,907	738,929	631,519	580,381	538,201	522,724	583,289	683,816
Central Administration	520,651	545,108	608,662	740,156	799,532	698,744	632,288	781,745	743,736	725,682
Plant operations and maintenance	1,241,884	1,545,544	1,492,204	1,557,489	1,771,983	2,000,870	1,713,247	1,867,218	2,033,878	1,732,500
Pupil transportation	186,349	218,119	365,833	394,459	515,194	608,507	580,740	677,407	514,702	673,390
Unallocated Benefits	1,061,662	1,008,799	1,267,932	1,488,287	1,831,028	2,548,761	4,161,236	3,297,807	3,612,301	3,283,449
Allocated Benefits							79,739	43,387	83,738	25,000
Special Schools	21,000	21,000	21,000	21,000	18,118	22,000				
Charter Schools	11,981	12,164				6,509	7,811	27,563	28,445	26,197
Interest on long-term debt	46,099	27,540	21,128	15,561	9,883	5,642	1,725			
Unallocated depreciation	366,131	412,071	322,405	245,381	249,241	238,089	215,271	190,272	184,210	311,661
Amortization & Capital Lease Obligations	2,000	2,333	2,333	2,333	2,333	2,333				
Capital Outlay - nondepreciable		12,109	5,480		565,265	39,647	36,647	11,409	164,642	280,593
Total governmental activities expenses	21,135,019	22,977,913	23,354,552	25,937,547	28,088,439	30,244,991	34,682,717	32,308,944	34,628,996	34,463,477
Business-type activities:										
Food service	365,909	368,995	389,471	329,670	296,625	296,053	380,243	298,565	332,314	344,613
Total business-type activities expense	365,909	368,995	389,471	329,670	296,625	296,053	380,243	298,565	332,314	344,613
Total district expenses	\$ 21,500,928	\$ 23,346,908	\$ 23,744,023	\$ 26,267,217	\$ 28,385,064	\$ 30,541,044	\$ 35,062,960	\$ 32,607,509	\$ 34,961,310	\$ 34,808,090
Program Revenues										
Governmental activities:										
Charges for services:										
Student & instruction related services										\$ 9,329
Operating grants and contributions	1,584,694	1,555,356	1,733,921	1,571,386	1,802,348	1,507,392	1,804,319	1,737,395	1,645,514	2,667,604
Total governmental activities program revenues	1,584,694	1,555,356	1,733,921	1,571,386	1,802,348	1,507,392	1,804,319	1,737,395	1,645,514	2,676,933

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services:										
Food service	42,373	32,968	31,041	10,005	20,278	14,336	24,080	25,736	15,921	
Operating grants and contributions	334,173	333,015	362,183	317,090	297,822	304,779	283,701	290,314	322,485	381,493
Total business-type activities program revenues	376,546	365,983	393,224	327,095	318,100	319,115	307,781	316,050	338,406	381,493
Total district program revenues	\$ 1,961,240	\$ 1,921,339	\$ 2,127,145	\$ 1,898,481	\$ 2,120,448	\$ 1,826,507	\$ 2,112,100	\$ 2,053,445	\$ 1,983,920	\$ 3,058,426
Net (Expense)/Revenue										
Governmental activities	\$ (19,550,325)	\$ (21,422,557)	\$ (21,620,631)	\$ (24,366,161)	\$ (26,286,091)	\$ (28,737,599)	\$ (32,878,398)	\$ (30,571,549)	\$ (32,983,482)	\$ (31,786,544)
Business-type activities	10,637,000	(3,012,000)	3,753	(2,575)	21,475	23,062	(72,462)	17,485	6,092	36,880
Total district-wide net expense	\$ (19,539,688)	\$ (21,425,569)	\$ (21,616,878)	\$ (24,368,736)	\$ (26,264,616)	\$ (28,714,537)	\$ (32,950,860)	\$ (30,554,064)	\$ (32,977,390)	\$ (31,749,664)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 12,333,147	\$ 12,579,810	\$ 13,184,444	\$ 13,448,133	\$ 13,814,362	\$ 14,839,499	\$ 16,189,722	\$ 16,189,722	\$ 16,201,812	\$ 16,213,902
Taxes levied for debt service	273,016	273,133	272,945	84,948	80,924	81,757	82,300	82,300	82,300	
Unrestricted grants and contributions	7,966,089	8,744,802	8,861,509	10,658,316	11,429,835	12,933,997	15,305,023	17,368,830	19,473,980	20,090,619
Tuition from Summer School			13,050	10,530	11,040	7,400				
Investment earnings	6,161	5,602	3,457	2,955	3,250	3,654	3,792	5,298	7,482	12,444
Miscellaneous income	15,215	32,087	86,618	354,499	32,403	27,596	60,610	46,708	23,590	126,604
State Aid- Restricted for Debt Service	47,191	46,770	46,342							
State Aid - Capital Outlay Facilities Grant				213,958						
Transfers	(2,575)	(5,311)	(4,799)	(10,044)	(3,476)	(2,500)				
Federal and State Aid - Capital outlay	28,556	12,109	5,480	8,954	15,018	39,647	36,647	19,705	94,688	415,885
Total governmental activities	20,638,244	21,689,002	22,469,046	24,772,249	25,383,556	27,931,050	31,678,094	33,712,563	35,801,552	36,859,454
Business-type activities:										
Investment earnings		15	49	43	59	53	72	50	64	83
Miscellaneous Income			2,059							
Transfers	2,575	5,311	4,799	10,044	3,476	2,500				
Total business-type activities	2,575	5,326	6,907	10,087	3,555	2,553	72	50	64	83
Total district-wide	\$ 20,640,819	\$ 21,694,328	\$ 22,475,953	\$ 24,782,336	\$ 25,386,891	\$ 27,933,603	\$ 31,678,166	\$ 33,712,613	\$ 35,801,616	\$ 36,859,537
Change in Net Assets/Position										
Governmental activities	\$ 1,087,919	\$ 266,445	\$ 848,415	\$ 406,088	\$ (902,735)	\$ (806,549)	\$ (1,200,304)	\$ 3,141,014	\$ 2,818,070	\$ 5,072,910
Business-type activities	13,212	2,314	10,660	7,512	25,010	25,615	(72,390)	17,535	6,156	36,963
Total district	\$ 1,101,131	\$ 268,759	\$ 859,075	\$ 413,600	\$ (877,725)	\$ (780,934)	\$ (1,272,694)	\$ 3,158,549	\$ 2,824,226	\$ 5,109,873

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Reserved										
Unreserved										
Restricted	1,072,000	1,361,306	1,960,447	972,239	1,074,007	528,374	389,335	3,216,279	5,312,995	10,115,794
Committed	189,374									
Assigned	574,229	362,875	606,727	700,997	525,011	916,431	293,481	891,837	700,201	478,675
Unassigned	(207,159)	(67,833)	(149,277)	(93,221)	(85,695)	(40,308)	(182,410)	(469,144)	(444,820)	(39,865)
Total general fund	<u>\$ 1,628,444</u>	<u>\$ 1,656,348</u>	<u>\$ 2,417,897</u>	<u>\$ 1,580,015</u>	<u>\$ 1,513,323</u>	<u>\$ 1,404,497</u>	<u>\$ 500,406</u>	<u>\$ 3,638,972</u>	<u>\$ 5,568,376</u>	<u>\$ 10,554,604</u>
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										15,898
Special revenue fund										
Assigned, reported in:										
Capital projects fund				757,305	241,279	241,279	241,279	241,279	241,279	241,279
Debt service fund		5	3	1		1	1	82,301	82,301	82,301
Total all other governmental funds	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 3</u>	<u>\$ 757,306</u>	<u>\$ 241,279</u>	<u>\$ 241,280</u>	<u>\$ 241,280</u>	<u>\$ 323,580</u>	<u>\$ 323,580</u>	<u>\$ 339,478</u>

Source: CAFR Schedule B-1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 12,606,163	\$ 12,852,943	\$ 13,457,389	\$ 13,533,081	\$ 13,895,286	\$ 14,921,256	\$ 16,272,022	\$ 16,273,022	\$ 16,201,812	\$ 16,213,902
Tuition from Summer School			13,050	10,530	11,040	7,400				
Interest earnings	6,161	5,602	3,457	2,955	3,250	3,654	3,792	5,298	7,482	12,444
Miscellaneous	33,528	32,087	86,618	359,499	32,403	27,596	60,610	46,708	23,590	135,933
State sources	8,029,646	9,020,976	9,089,121	9,753,053	9,739,476	10,124,972	11,540,812	15,449,272	18,052,737	20,097,500
Federal sources	1,578,571	1,338,061	1,558,131	1,274,579	1,542,819	1,253,470	1,497,902	1,450,425	1,339,138	2,273,912
Total revenue	22,254,069	23,249,669	24,207,766	24,933,697	25,224,274	26,338,348	29,375,138	33,223,725	35,624,759	38,733,691
Expenditures										
Instruction										
Regular Instruction	3,094,277	3,670,685	3,855,384	4,310,407	3,797,417	4,803,519	5,760,866	4,590,637	5,108,396	4,371,498
Special education instruction	1,978,014	2,035,331	2,656,458	2,596,871	2,676,623	1,561,466	1,588,664	2,925,703	3,016,973	3,486,192
Other special instruction	651,286	658,033	801,680	630,001	715,998	879,562	1,110,860	778,542	976,700	728,360
Other instruction	33,687	34,064	33,203	41,045	37,565	40,531	43,469	45,321	40,214	8,737
Support Services:										
Instruction	7,731,156	8,369,482	7,212,821	7,632,695	8,291,898	8,847,632	10,987,429	9,975,534	11,466,811	11,781,492
Attendance and social work services	130,881	142,313	201,270	192,213	169,520	156,790	174,522	189,293	179,949	195,368
Health Services	223,789	218,213	216,225	231,111	225,850	198,923	241,912	287,874	309,610	334,233
Student & instruction related services	1,251,592	1,298,104	1,347,301	1,326,671	1,526,865	1,473,081	1,401,002	1,451,305	1,278,962	1,785,757
General administrative services	629,989	636,641	641,438	734,970	528,710	430,584	433,647	424,566	488,322	552,999
School Administrative services	446,274	494,878	520,984	514,540	616,220	658,583	675,628	771,419	831,829	771,493
Central administrative services	421,074	441,037	492,169	530,862	545,883	446,157	456,642	549,204	536,400	522,421
Plant operations and maintenance	1,135,263	1,402,051	1,390,071	1,297,236	1,414,231	1,561,677	1,349,713	1,542,081	1,764,857	1,541,575
Pupil transportation	186,070	217,134	364,070	303,807	418,965	491,627	486,013	596,206	481,814	615,392
Allocated employee benefits						79,739		43,387	83,738	25,000
Unallocated employee benefits	1,712,794	1,863,931	2,108,818	2,429,458	2,526,096	2,783,648	2,937,572	3,263,482	3,351,927	3,120,347
TPAF Pension / Social Security	1,072,598	1,344,444	1,253,759	1,424,445	1,681,589	1,960,981	2,424,793	2,521,037	2,717,026	3,280,855
Summer School Instruction	21,000	21,000	21,000	21,000	18,118	22,000				
Charter Schools	11,981	12,164			6,509	7,811		27,563	28,445	26,197
Capital outlay	104,881	12,109	5,480	824,665	565,265	39,647	36,647	19,705	1,033,382	601,818
Debt service:										
Principal	290,893	296,478	295,300	70,000	70,000	75,000	80,000			
Interest and other charges	52,061	38,273	23,989	14,950	10,925	6,756	2,300			
Total expenditures	21,179,560	23,206,365	23,441,420	25,126,947	25,837,738	26,444,673	30,279,229	30,002,859	33,695,355	33,749,734
Excess (Deficiency) of revenues over (under) expenditures	1,074,509	43,304	766,346	(193,250)	(613,464)	(106,325)	(904,091)	3,220,866	1,929,404	4,983,957

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing sources (uses)										
Capital leases (non-budgeted)	12,040			124,358	34,221					
Transfers in				1,234,700						
Transfers out	(2,575)	(5,311)	(4,799)	(1,244,744)	(3,476)	(2,500)				
Total other financing sources (uses)	9,465	(5,311)	(4,799)	114,314	30,745	(2,500)				
Net change in fund balances	\$ 1,083,974	\$ 37,993	\$ 761,547	\$ (78,936)	\$ (582,719)	\$ (108,825)	\$ (904,091)	\$ 3,220,866	\$ 1,929,404	\$ 4,983,957
Debt service as a percentage of noncapital expenditures	1.6%	1.4%	1.4%	0.3%	0.3%	0.3%	0.3%	0.0%	0.0%	0.0%

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		Misc.	Total
				Fees	Cancellations		
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
2017	3,654	6,998				7,821	18,473
2018	3,792	35,775				19,995	59,562
2019	5,298	5,973				37,628	48,899
2020	7,482	3,790		13,329		43	24,644
2021	12,444	2,525		39,988		84,091	139,048

Source: District Records

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

Year Ended Dec. 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
2011	\$ 11,002,500	\$ 634,853,000			\$ 200,425,300	\$ 82,911,900	\$ 126,722,100	\$ 1,055,914,800	\$ -	\$ 1,296,913	\$ 1,057,211,713	1.177	\$ 1,198,088,239	88.24%
2012	\$ 11,002,500	\$ 634,545,200			\$ 195,548,000	\$ 80,515,400	\$ 124,204,300	\$ 1,045,815,400	\$ -	\$ 1,197,875	\$ 1,047,013,275	1.216	\$ 1,155,691,027	90.60%
2013	\$ 9,007,600	\$ 638,695,300			\$ 192,631,000	\$ 76,279,100	\$ 127,430,000	\$ 1,044,043,000	\$ -	\$ 1,251,760	\$ 1,045,294,760	1.264	\$ 1,089,563,815	95.94%
2014	\$ 9,007,600	\$ 638,695,300			\$ 192,631,000	\$ 76,279,100	\$ 127,430,000	\$ 1,044,043,000	\$ -	\$ 1,297,940	\$ 1,045,340,940	1.295	\$ 1,111,156,875	94.08%
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%
2016	\$ 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	\$ 1,202,317,512	86.27%
2017	\$ 10,245,100	\$ 646,130,366			\$ 186,461,550	\$ 69,512,100	\$ 122,280,000	\$ 1,034,629,116	\$ -	\$ 1,667,801	\$ 1,036,296,917	1.504	\$ 1,316,302,543	78.73%
2018	\$ 10,245,100	\$ 645,570,766			\$ 186,539,150	\$ 69,512,100	\$ 122,280,000	\$ 1,034,147,116	\$ -	\$ 989,151	\$ 1,035,136,267	1.572	\$ 1,342,147,813	77.13%
2019	\$ 6,318,200	\$ 649,680,566			\$ 186,053,350	\$ 68,162,900	\$ 133,850,200	\$ 1,044,067,216	\$ -	\$ 989,151	\$ 1,045,056,367	1.551	\$ 1,389,164,068	75.23%
2020	\$ 9,372,000	\$ 846,315,200			\$ 240,870,500	\$ 86,094,400	\$ 195,296,700	\$ 1,377,948,800	\$ -	\$ 1,554,263	\$ 1,379,503,063	1.176	\$ 1,400,166,330	98.52%

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

**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
	General			Borough of Fairview	Bergen County	
	Basic Rate ^a	Obligation Debt Service ^b	Total Direct			
2011	1.150	0.263	1.413	1.158	0.232	2.803
2012	1.100	0.026	1.126	1.229	0.239	2.594
2013	1.238	0.026	1.264	1.265	0.252	2.781
2014	1.269	0.026	1.295	1.329	0.245	2.869
2015	1.307	0.008	1.315	1.352	0.252	2.919
2016	1.382	0.008	1.390	1.411	0.280	3.081
2017	1.496	0.008	1.504	1.439	0.317	3.260
2018	1.564	0.008	1.572	1.476	0.318	3.366
2019	1.551	0.000	1.551	1.482	0.323	3.356
2020	1.176	0.000	1.176	1.159	0.252	2.587

Source: District Records and Municipal Tax Collector

Note: N.J.S.A. 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	2021			2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Fairview Bergen Associates LLC	\$ 39,108,900	1	2.83%			
Ronald Realty, Co, LLC, NJ	\$ 19,420,400	4	1.41%	\$ 5,500,000	4	0.53%
HLF Passaic, C/O Ryan LLC	\$ 15,622,200	5	1.13%			
Fairview Industrial PK. Controller				\$ 8,461,300	1	0.81%
Cliff Street Holdings LLC	\$ 26,000,000	2	1.88%			
250 Morris Street Associates	\$ 25,758,400	3	1.87%			
Fairview Bergen Property, LLC	\$ 7,300,000	6	0.53%			
1 Broad Avenue LLC	\$ 7,132,300	7	0.52%			
United Water NJ C/O Altus Group, Inc.						
15 Division Street LLC	\$ 6,660,800	8	0.48%			
Oster Fairview Properties, LLC	\$ 6,631,000	9	0.48%			
Babaci, LLC	\$ 6,506,200	10	0.47%			
Fairview Associated 94, L.P				\$ 7,500,000	2	0.72%
HLF Passaic 2005 LLC				\$ 7,022,500	3	0.67%
Koustas Realty Corp				\$ 3,582,000	5	0.34%
Waste Management of NJ				\$ 3,255,600	6	0.31%
Bonanno Real Estate Group I, L.P				\$ 2,989,400	7	0.29%
New Age Ventures, Inc.				\$ 2,846,200	8	0.27%
Bonanno, Real Estate Group II, L.P				\$ 2,731,500	9	0.26%
Waste Management of NJ				\$ 2,640,700	10	0.25%
Total	\$ 160,140,200		11.61%	\$ 46,529,200		4.45%

Net Assessed Valuation: \$ 1,379,503,063 \$ 1,045,294,760

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		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	\$ -
2017	\$14,921,256	\$14,921,256	100.00%	\$ -
2018	\$16,272,022	\$16,272,022	100.00%	\$ -
2019	\$16,272,022	\$16,272,022	100.00%	\$ -
2020	\$16,201,812	\$16,201,812	100.00%	\$ -
2021	\$16,213,902	\$16,213,902	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 ^a	Per Capita ^a
	General Obligation Bonds/Loans ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2012	872,509	-	18,793	-	-	891,302	8.10%	\$ 72,164
2013	590,300	-	4,524	-	-	594,824	12.05%	\$ 71,699
2014	295,000	-	-	-	-	295,000	25.25%	\$ 74,480
2015	225,000	-	106,866	-	-	331,866	23.43%	\$ 77,767
2016	155,000	-	96,911	-	-	251,911	31.52%	\$ 79,407
2017	80,000	-	42,547	-	-	122,547	66.65%	\$ 81,676
2018	-	-	6,409	-	-	6,409	1348.17%	\$ 86,404
2019	-	-	-	-	-	-	0.00%	\$ 89,456
2020	-	-	-	-	-	-	0.00%	\$ -
2021	-	-	-	-	-	-	0.00%	Not Available

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

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
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	0.02%	\$ 3
2016	\$ 155,000		155,000	0.01%	\$ 2
2017	\$ 80,000		80,000	0.01%	\$ 1
2018	-		-	0.00%	\$ -
2019	-		-	0.00%	\$ -
2020	-		-	0.00%	\$ -
2021	-		-	0.00%	\$ -

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, 2021**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2021			
		\$	-
Net overlapping debt of School District:			
Borough of Fairview	100.000%	\$ 22,440,000	
County of Bergen - City's Share	0.651%	\$ 7,972,276	
Bergen County Utility Authority-City's Share	2.111%	\$ 2,796,837	
Subtotal, overlapping debt		<u>\$ 33,209,113</u>	
Total direct and overlapping debt			<u><u>\$ 33,209,113</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 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2020
Debt limit	39,116,824	23,560,268	23,537,793	22,452,548	22,007,207	23,477,324	24,388,931	25,186,201	26,584,504	27,313,119
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 39,116,824	\$ 23,560,268	\$ 23,537,793	\$ 22,452,548	\$ 22,007,207	\$ 23,477,324	\$ 24,388,931	\$ 25,186,201	\$ 26,584,504	\$ 27,313,119
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Equalized valuation basis	
2020	\$ 1,400,166,330
2019	\$ 1,389,164,068
2018	\$ 1,342,147,813
[A]	\$ 2,731,311,881

Average equalized valuation of taxable property	
[A/3]	\$ 910,437,294

Debt limit (3% of average equalization value)	
[B]	27,313,119 a
Net bonded school debt	
[C]	-
Legal debt margin	
[B-C]	\$ 27,313,119

Source: Abstract of Rates and District Records CAFR Schedule J-6

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita	
			Personal Income ^c	Unemployment Rate ^d
2012	14,031	\$ 1,012,533,084	72,164	5.00%
2013	14,137	\$ 1,013,608,763	71,699	5.00%
2014	14,257	\$ 1,061,861,360	74,480	5.40%
2015	14,268	\$ 1,109,579,556	77,767	4.70%
2016	14,257	\$ 1,132,105,599	79,407	4.00%
2017	14,290	\$ 1,167,150,040	81,676	3.90%
2018	14,247	\$ 1,230,997,788	86,404	3.00%
2019	14,194	\$ 1,269,738,464	89,456	2.70%
2020	14,124	Not Available	Not Available	9.40%
2020	Not Available	Not Available	Not Available	Not Available

Source:

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

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

Employer	2021		2012		Percentage of Total Employment
	Employees	Rank (Optional)	Employees	Rank (Optional)	

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

Source: Borough of Fairview

** Data was only provided for years noted

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction										
Regular	60	60	61	69	69	69	77	78	78	88
Special education	21	23	24	27	27	30	27	24	27	22
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	13	13	13	13	14	14	14	14	14	34
General administrative services	5	5	5	5	5	5	6	5	5	8
School administrative services	6	6	6	6	7	8	7	8	5	7
Business administrative services	4	5	5	5	5	5	5	5	7	4
Plant operations and maintenance	6	8	6	7	7	7	5	7	10	7
Pupil transportation	-	-	3	5	5	5	5	5	4	3
Total	115	120	123	137	139	143	146	146	150	173

Source: District Personnel Records

Fairview Board of Education
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
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%	
2017	1,438	26,323,270	18,305	0.06%	100	1:13	1,416	1,342	5.91%	94.77%	
2018	1,475	30,160,282	20,448	11.70%	104	1:13	1,435	1,353	1.34%	94.29%	
2019	1,492	29,983,154	20,096	-1.72%	102	1:13	1,494	1,411	4.11%	94.44%	
2020	1,522	32,661,973	21,460	6.79%	106	1:13	1,517	1,494	1.54%	98.48%	
2021	1,532	33,147,917	21,637	0.83%	110	1:13	1,517	1,494	0.00%	98.48%	

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Buildings</u>										
<u>Elementary</u>										
Lincoln School										
Square Feet	53,472	53,472	53,472	53,472	53,472	53,472	53,472	53,472	53,472	53,472
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	573	573	602	592	616	670	664	700	598	595
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	209	206	213	220	196	216	229	252	238	257
Number 3 School										
Square Feet	23,372	23,372	23,372	23,372	23,372	23,372	23,372	23,372	23,372	30,568
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	435	426	455	484	489	506	536	539	474	680

Number of Schools at June 30, 2021
 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)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Lincoln School	N/A	70,788	116,528	97,513	71,803	72,609	107,769	103,766	108,189	105,337	103,126
Annex	N/A	7,224	24,725	3,697	4,272	22,623	4,579	14,135	9,461	6,593	19,487
School No. 3	N/A	58,812	28,964	20,049	10,464	9,855	19,524	7,826	9,500	18,102	18,139
Total School Facilities		<u>136,824</u>	<u>170,217</u>	<u>121,259</u>	<u>86,539</u>	<u>105,087</u>	<u>131,872</u>	<u>125,727</u>	<u>127,150</u>	<u>130,032</u>	<u>140,752</u>
Other Facilities											
Grand Total		<u>\$ 136,824</u>	<u>\$ 170,217</u>	<u>\$ 121,259</u>	<u>\$ 86,539</u>	<u>\$ 105,087</u>	<u>\$ 131,872</u>	<u>\$ 125,727</u>	<u>\$ 127,150</u>	<u>\$ 130,032</u>	<u>\$ 140,752</u>

**Fairview Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2021
Unaudited**

Company	Type of Coverage	Coverage	Deductible
	School package policy -		
	Property - Blanket Building and Contents	\$ 100,000,000	\$ 5,000
	Comprehensive General Liability	16,000,000	
	Comprehensive Automobile Liability	16,000,000	1,000
	Comprehensive Crime Coverage	25,000	500
	Computers and schedule equipment -		
	Data Processing Equipment	175,000	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	310,000	1,000

Source: District Records

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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MATTHEW B. WIELKOTZ, CPA, PSA
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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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 31, 2022.

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 January 31, 2022.

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

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

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 31, 2022



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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, 2021. 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, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal and state program is not modified with respect to these matters.

The Borough of Fairview Board of Education's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Borough of Fairview Board of Education's responses were not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

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

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

Wielkocz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 31, 2022

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

Year ended June 30, 2021

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, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2021	
												(Accounts Receivable)	Deferred Revenue/ Interfund Payable
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
National School Lunch Program SSO	10.555	21NIJ304N1099	N/A	7/1/20-6/30/21	\$ 190,721			172,357	190,721			(18,364)	
National School Lunch Program SSO	10.555	20NIJ304N1099	N/A	3/18/20-6/30/20	55,923	(15,309)		15,309					
National School Lunch Program SSO	10.555	21NIJ304N1099	N/A	7/1/20-6/30/21	119,907			108,379	119,907			(11,528)	
National Breakfast Program SSO	10.553	20NIJ304N1099	N/A	3/18/20-6/30/20	32,335	(9,623)		9,623					
National Breakfast Program SSO	10.553	21NIJ304N1099	N/A	7/1/20-6/30/21	55,492			55,492					
Summer Food Service Program	10.559	21NIJ304N1099	N/A	7/1/20-6/30/21	3,063			3,063				(3,063)	
Emergency Operational Cost Program -School	10.555	21NIJ304N1099	N/A	7/1/20-6/30/21	2,944				2,944			(2,944)	
P-EBT Administrative Cost	10.649					(24,932)		361,160	372,127			(35,899)	
Total U.S. Department of Agriculture													
U.S. Department of Education													
General Fund:													
MAC	93.778	200SNJ5MAP	N/A	7/1/20-6/30/21	11,313			11,313	11,313				
Medical Assistance Program (SEMI)	93.778	200SNJ5MAP	N/A	7/1/20-6/30/21	35,429			35,429	35,429				
FFCRA/SEMI Revenue	93.775	200SNJ5MAP	N/A	7/1/20-6/30/21	2,227			2,227	2,227				
Total General Fund													
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
Title I Part A, Improving Basic Programs	84.010	S010A200030	ESEA-1470-21	7/1/20-9/30/21	845,829	(201,801)	(201,801)	625,276	694,312	100		(270,737)	
Title I Part A, Improving Basic Programs	84.010	S010A190030	ESEA-1470-20	7/1/19-9/30/20	782,735			201,801					
Title I Part A, Reallocation	84.010	S010A200030	ESEA-1470-21	7/1/20-9/30/21	42,571	(201,801)	(201,801)	3,582	30,414	100		(26,832)	
								628,858	724,726			(297,569)	
I.D.E.A. Part B	84.027	H027A200100	IDEA-1470-21	7/1/20-9/30/21	474,824			438,408	464,621			(101,079)	
I.D.E.A. Part B	84.027	H027A190100	IDEA-1470-20	7/1/19-9/30/20	424,640	(74,866)	(74,866)	74,866					
I.D.E.A. Part B Preschool	84.173	H173A200114	IDEA-1470-21	7/1/20-9/30/21	10,422			21,357	10,422				
I.D.E.A. Part B Preschool	84.173	H173A190114	IDEA-1470-20	7/1/19-9/30/20	10,047	(85,801)	(85,801)	459,765	475,043			(101,079)	
Title II Part A	84.367A	S367A200029	ESEA-1470-21	7/1/20-9/30/21	109,300	(23,244)	(23,244)	74,868	123,938			(72,314)	
Title II Part A	84.367A	S367A190029	ESEA-1470-20	7/1/19-9/30/20	90,884	(23,244)	(23,244)	74,868	123,938			(72,314)	
Title III	84.365A	S365A200030	ESEA-1470-21	7/1/20-9/30/21	57,117	(6,112)	(6,112)	29,017	38,512			(15,607)	
Title III	84.365A	S365A190030	ESEA-1470-20	7/1/19-9/30/20	47,512			6,112					
Title III, Immigrant	84.365A	S365A200030	ESEA-1470-21	7/1/20-9/30/21	20,461	(3,326)	(3,326)	3,326				(3,326)	
Title III, Immigrant	84.365A	S365A190030	ESEA-1470-20	7/1/19-9/30/20	15,506	(9,438)	(9,438)	29,017	38,512			(18,933)	
Title IV	84.369	S369A200031	ESEA-1470-21	7/1/20-9/30/21	57,793	3,427	3,427		23,770			(20,343)	
Title IV	84.369	S369A190031	ESEA-1470-20	7/1/19-9/30/20	48,796	3,427	3,427		23,770			(20,343)	
CARES ACT 2020/ESSER	84.425D	S425D200027		3/13/20-10/15/22	784,832			522,637	538,946			(16,309)	
Non-Public Digital Divid	84.425D	S377A130031		7/16/20-10/31/20	14,529			14,529	533,475			(16,309)	

**FAIRVIEW
BOARD OF EDUCATION**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

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, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2021	
												(Accounts Receivable)	Deferred Revenue/ Interfund Payable
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund: COVID Relief Fund	21.019	S425D200027		3/1/20-12/31/21	229,597			229,597 229,597	229,572 229,572				25 25
Passed through the County of Bergen: COVID Relief Fund	21.019	S425D200027		3/1/20-12/31/21	188,769			188,769 188,769	188,470 188,470				299 299
Total Special Revenue Fund						(316,857)		2,148,040	2,357,506	100		(526,547)	324
Total Federal Financial Assistance					\$ (341,789)		2,558,169	2,778,602	100	100		(562,446)	324

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, 2021

State Department of Education: General Fund:	Grant or State Project Number	Grant Period	Award Amount	Deferred Revenue (Accts. Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures Pass-through Funds	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Balance at June 30, 2021		MEMO
														Budgetary Expenditures	Cumulative Total Expenditures	
State Department of Education: General Fund:																
Equalization Aid	495-034-5120-078	7/1/20-6/30/21	13,088,240				11,673,585	13,088,240						(1,414,655)	13,088,240	
Transportation Aid	495-034-5120-014	7/1/20-6/30/21	139,545				142,200	139,545						(17,245)	139,545	
Special Education Aid	495-034-5120-089	7/1/20-6/30/21	1,748,955				1,593,918	1,748,955						(189,037)	1,748,955	
Security Aid	495-034-5120-084	7/1/20-6/30/21	721,266				643,307	721,266						(77,959)	721,266	
ETE/ Homeless Reimbursement	495-034-5120-084	7/1/19-6/30/21	524,079	(150,927)			130,927	564,079			(564,079)				564,079	
Extraordinary Aid	495-034-5120-044	7/1/19-6/30/21	345,456	(345,456)			345,456	345,456							345,456	
Reimbursed TPAF Social Security	495-034-5094-003	7/1/20-6/30/21	587,619				587,619	587,619							587,619	
Reimbursed TPAF Social Security	495-034-5094-003	7/1/19-6/30/21	616,676	(29,504)			39,504	587,172							587,172	
On-Behalf TPAF - Post Retirement Medical	495-034-5094-001	7/1/20-6/30/21	642,230				642,230	642,230							642,230	
On-Behalf TPAF Pension	495-034-5094-002	7/1/20-6/30/21	2,011,071				2,011,071	2,011,071							2,011,071	
On-Behalf TPAF NCGI Premium	495-034-5094-004	7/1/20-6/30/21	38,263				38,263	38,263							38,263	
On-Behalf TPAF - LTDI	495-034-5094-004	7/1/20-6/30/21	1,672				1,672	1,672							1,672	
Total General Fund				(525,887)			17,825,852	19,502,940			(564,079)			(1,698,896)	20,088,827	
Special Revenue Fund:																
Preschool Education Aid	495-034-5120-086	7/1/20-6/30/21	101,244			509	91,120	101,210				543		(10,124)	101,198	
Preschool Education Aid	495-034-5120-086	7/1/19-6/30/20	114,646		(509)		1,914,076	526,285			1,600,466			(212,675)	114,280	
Preschool Expansion Education Aid	495-034-5120-086	7/1/20-6/30/21	2,126,751				20,404	20,403							20,403	
Nonpublic Text Chapter 194	100-034-5120-064	7/1/20-6/30/21	20,404				20,404	20,403							20,403	
Nonpublic Text Chapter 194	100-034-5120-064	7/1/19-6/30/20	17,711		1		58,450	58,073		1					17,710	
Nonpublic Security Grant	100-034-5120-509	7/1/20-6/30/21	58,450				58,450	58,073							58,073	
Nonpublic Security Grant	100-034-5120-509	7/1/19-6/30/20	50,400		7,459		155,022	68,364		7,459					42,941	
Chapter 192 - Compensatory Education	100-034-5120-067	7/1/20-6/30/21	155,022				155,022	68,364							68,364	
Chapter 192 - Compensatory Education	100-034-5120-067	7/1/19-6/30/20	134,658		50,298		24,868	16,253		50,298					84,360	
Chapter 192 - ESL	100-034-5120-067	7/1/20-6/30/21	20,019				24,868	16,253							16,253	
Chapter 192 - ESL	100-034-5120-067	7/1/19-6/30/20	20,019		5,129		14,571	8,419		5,129					14,890	
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/20-6/30/21	14,571				14,571	8,419							8,419	
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/19-6/30/20	17,161		5,099		52,374	17,086		5,099					12,062	
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/20-6/30/21	52,374				52,374	17,086							17,086	
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/19-6/30/20	21,373		6,507		20,962	12,577		6,507					14,866	
Chapter 193 - Corrective Speech	100-034-5120-066	7/1/20-6/30/21	20,962				20,962	12,577							12,577	
Chapter 193 - Corrective Speech	100-034-5120-066	7/1/19-6/30/20	19,139		5,559		34,068	34,068		5,559					13,580	
Nonpublic Nursing	100-034-5120-070	7/1/20-6/30/21	34,068				34,068	34,068							34,068	
Non Public Technology Grant	100-034-5120-373	7/1/19-6/30/20	12,096		34					34					32,592	
School Security Grant	100-034-5120-373	7/1/20-6/30/21	75,198					39,912			(39,912)				39,912	
Total Special Revenue Fund				509	80,086		2,385,915	902,650		80,086	(39,912)	1,601,009	145,476	(222,799)	1,261,581	
Enterprise Fund:																
National School Lunch Program SSO (State Share)	100-010-3350-023	7/1/20-6/30/21	9,366				7,164	9,366			(2,202)				9,366	
National School Lunch Program SSO (State Share)	100-010-3350-023	3/1/820-6/30/20	2,204	(1,565)			1,565								2,204	
Total Enterprise Fund				(1,565)			8,729	9,366			(2,202)				11,570	
Total State Financial Assistance				(526,943)	80,086		20,220,496	20,474,956		80,086	(606,193)	1,601,009	145,476	(1,921,695)	21,362,378	
Less: On-Behalf TPAF Pension System Contributions	495-034-5094-001		642,230					642,230								
On-Behalf TPAF - Post Retirement Medical	495-034-5094-002		2,011,071					2,011,071								
On-Behalf TPAF NCGI Premium	495-034-5094-004		38,263					38,263								
On-Behalf TPAF - LTDI	495-034-5094-004		1,672					1,672								
Total State Financial Assistance for Major Program Determination								2,693,236								
								17,781,720								

FAIRVIEW
BOARD OF EDUCATION
Schedule of Expenditures of State Awards and Other Local Awards
Year ended June 30, 2021

State/Grantor/Program Title	Grant or Project Number	Grant Period	Award Amount	Balance at June 30, 2020				Balance at June 30, 2021				MEMO			
				Deferred Revenue (Accts. 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/ Interfund Payable	Due to Grantor	Cumulative Total Expenditures
Special Revenue Fund:															
LOWES Grant	N/A	7/1/16-6/30/17	5,000	160											4,840
Visions Credit Union	N/A	7/1/16-6/30/17	500	108											392
BUSA - EAC Grant	N/A	7/1/19-6/30/20	4,000	4,000											
NBSafety Grant	N/A	7/1/20-6/30/21	8,033	7,985		8,033									
NBSafety Grant	N/A	7/1/16-6/30/17	7,985	7,985											
NBSafety Grant	N/A	7/1/18-6/30/19	5,641	1,646											4,015
NBSafety Grant	N/A	7/1/17-6/30/18	4,547												4,547
Total Local Sources			13,899	13,899	80,086	80,086	20,228,529	20,474,956	80,086	(606,193)	21,932	1,622,941	145,476	(1,921,695)	13,794
Total State and Local Financial Assistance			\$ (513,044)	(513,044)	80,086	20,228,529	20,474,956	80,086	(606,193)	21,932	1,622,941	145,476	(1,921,695)	13,794	21,376,172

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 1(D) and 1(E) 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 (\$323,986) for the general fund and (\$176,667) 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>Total</u>
General Fund	\$48,969	\$19,238,954	\$19,287,923
Special Revenue Fund	2,224,943	858,546	3,083,489
Food Service Fund	<u>372,127</u>	<u>9,366</u>	<u>381,493</u>
Total Awards and Financial Assistance	<u>\$2,646,039</u>	<u>\$20,106,866</u>	<u>\$22,752,905</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, 2021. 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, 2021.

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 \$2,693,236 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.

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$724,726
Title II, Part A: <i>Supporting Effective Instruction</i>	123,938
Title III: <i>English Language Acquisition State Grants</i>	38,512
Title IV: <i>Student Support and Academic Enrichment</i>	<u>23,770</u>
Total	<u>\$910,946</u>

**FAIRVIEW BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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	_____ <u>X</u> _____ no
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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	_____ <u>X</u> _____ no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____ 84.010 _____ (B)	_____ S010A180030 _____	_____ Title I, Part A, Improving Basic Programs _____

Note: (B) Tested as Major Type B Program

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

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

**BOROUGH OF FAIRVIEW BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

FEDERAL AWARDS

None

STATE AWARDS

Finding 2021-001

Information on the state program:

State Aid – Public Cluster, NJCFS Numbers 495-034-5120-(078/089/084) Grant Period 7/1/20-6/30/21.

Criteria or specific requirement:

The school district must complete the Application for State School Aid (ASSA) in accordance with the instructions provided by the Office of School Finance. The district must complete a set of workpapers that document the compilation of data and provide an audit trail for testing the enrollments reported on the ASSA. In addition, the district must have on file written procedures that provide a description of the count process. The workpapers and internal procedures must be maintained on file for seven years.

Condition:

The students reported as Resident Low Income and Resident Low Income Limited English Proficient could not be verified to supporting documents.

Questioned Costs:

None

Context:

The district submitted the 2020/2021 ASSA but were unable to provide the related supporting documents which provide an audit trail for testing enrollments reported on the ASSA.

Effect:

By not maintaining appropriate supporting documentation in accordance with the instructions provided by the Office of School Finance, the enrollments reported as Resident Low Income and Resident Low Income Limited English Proficient on the district's ASSA are unable to be verified.

Cause:

The workpapers that document the compilation of data and provide an audit trail for testing the enrollment categories reported on the ASSA could not be produced.

**BOROUGH OF FAIRVIEW BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(continued)**

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

Finding 2021-001 (continued)

Recommendation:

The district should complete a set of workpapers that document the compilation of data and provide an audit trail for testing the enrollments reported on the ASSA in accordance with the instructions provided by the Office of School Finance. In addition, the district should have written procedures on file which provide a description of the count process. The procedures should describe how the count was taken, who was responsible for compiling the data, completing the enrollment count submission, and detail the various assigned responsibilities for collection of the data and the follow-up procedures to identify student information to be corrected in the subsequent count. The internal control procedures and related workpapers must be maintained on file for seven years and made available for audit.

Management's response:

The district will prepare written procedures providing a description of the count process annually. The district will maintain supporting documentation that provide an audit trail for testing the enrollment categories reported on the ASSA.

**FAIRVIEW BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Status of Prior Year Findings

NONE