

**FAIRVIEW BOARD OF EDUCATION
COUNTY OF BERGEN, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

FAIRVIEW BOARD OF EDUCATION

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

**Annual Comprehensive Financial Report
Year Ended June 30, 2022**

Annual Comprehensive Financial Report

of the

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

Year Ended June 30, 2022

Prepared by

**John Bussanich
Business Administrator**

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INTRODUCTORY SECTION

FAIRVIEW PUBLIC SCHOOLS

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February 3, 2023

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

Dear Board Members,

The Annual Comprehensive Financial Report of the Fairview School District for the fiscal year ended June 30, 2022 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 Annual Comprehensive 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 1,540 students. There has been a slight increase from the previous year, we believe that this was caused by the recovery from the COVID pandemic. The following is a view of the district enrollment for the last ten years.

Average Daily Enrollment

Year	Enrollment	Percent
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)
2021-2022	1531	.39
2022-2023	1540	.60

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 2012-2013 school year to the present, the overall student population has increased by 28.0% or 336 additional elementary school students. The overall district enrollment is expected to continue to increase over the next few years.

3. Major Initiatives: During the 2021-2022 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 2021-2022 school year. The district is currently reviewing the results of the NJSLA test administered during the 2021-2022 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 and Pre-K students in the Fairview Public

School District. The district has also added 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, 2022.

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 & Cova, 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.

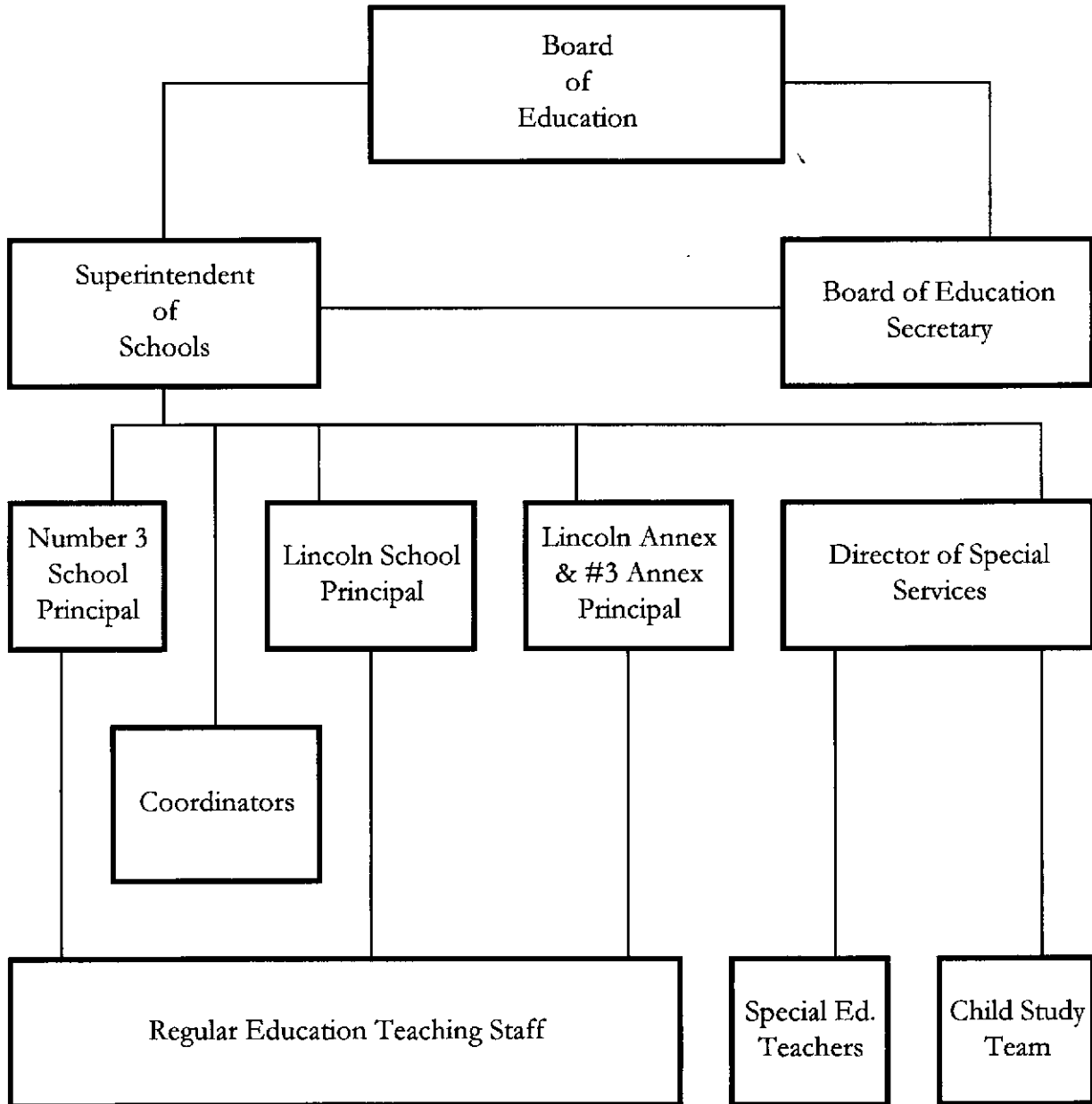
Respectfully submitted,

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, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Diane Testa President	2025
Angelo D'Arminio	2025
Hossam Elsamra	2023
Gustavo Gomez	2024
Louis Lynaugh	2024
Francisco Martinez	2025
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, 2022

Attorney

Stephen F. Pellino, Esq.
Basile, Birchwale and Pellino
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Architect of Record

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District Auditor

Steven D. Wielkotz, C.P.A.
Wielkotz & Company, LLC
401 Wanaque Avenue
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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
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Fairview School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Borough of Fairview Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2022, 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.

Basis for Qualified Opinion on U.S. Generally Accepted Accounting Principles

Governmental Accounting Standards Board Statement (GASBS) 87 requires lessees and lessors to report all leases, which is, as defined in paragraph 4 of the Statement, a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The District failed to provide the required disclosures.



Honorable President and
Members of the Board of Education
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The effects on the financial statements, although not reasonably determinable, are presumed to be material.

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fairview Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles 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, 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fairview Board of Education's ability to continue as a going concern for the next twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably



be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fairview Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fairview Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 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 Borough of 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 schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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.



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2023 on our consideration of the Borough of 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 Borough of 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

February 3, 2023



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022. 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 \$9,999,337. Net position of governmental activities increased \$9,840,667 while net position of business-type activities increased by \$158,670.
- General revenues accounted for \$42,200,678 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 \$3,442,599 or 8 percent of total revenues of \$45,643,277.
- The School District had \$35,643,940 in expenses related to governmental and business-type activities; only \$3,442,599 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$42,200,678 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, 2022
(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, 2022
(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, 2022
(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 \$20,745,980 at June 30, 2022 and \$10,746,643 at June 30, 2021. 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 2022 compared to 2021 (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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Current and Other Assets	23,869,263	13,690,628	307,243	138,281	24,176,506	13,828,909
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>3,858,905</u>	<u>3,325,329</u>	<u>566</u>	<u>729</u>	<u>3,859,471</u>	<u>3,326,058</u>
Total Assets	<u>29,048,381</u>	<u>18,336,170</u>	<u>307,809</u>	<u>139,010</u>	<u>29,356,190</u>	<u>18,475,180</u>
Deferred Outflows:						
Deferred Outflows of Resources						
Related to PERS	<u>764,200</u>	<u>1,203,001</u>	—	—	<u>764,200</u>	<u>1,203,001</u>
Total Deferred Outflows	<u>764,200</u>	<u>1,203,001</u>	—	—	<u>764,200</u>	<u>1,203,001</u>
Liabilities						
Current Liabilities	4,486,878	3,056,281	39,235	29,106	4,526,113	3,085,387
Noncurrent Liabilities	<u>2,817,909</u>	<u>3,982,975</u>	—	—	<u>2,817,909</u>	<u>3,982,975</u>
Total Liabilities	<u>7,304,787</u>	<u>7,039,256</u>	<u>39,235</u>	<u>29,106</u>	<u>7,344,022</u>	<u>7,068,362</u>
Deferred Inflows:						
Deferred Inflows of Resources						
Related to PERS	<u>2,024,048</u>	<u>1,863,176</u>	—	—	<u>2,024,048</u>	<u>1,863,176</u>
Total Deferred Inflows	<u>2,024,048</u>	<u>1,863,176</u>	—	—	<u>2,024,048</u>	<u>1,863,176</u>
Net Position						
Net Investment in Capital						
Assets	5,179,118	4,645,542	566	729	5,179,684	4,646,271
Restricted	19,822,655	10,918,049			19,822,655	10,918,049
Unrestricted	<u>(4,524,367)</u>	<u>(4,926,852)</u>	<u>268,008</u>	<u>109,175</u>	<u>(4,256,359)</u>	<u>(4,817,677)</u>
Total Net Position	<u>20,477,406</u>	<u>10,636,739</u>	<u>268,574</u>	<u>109,904</u>	<u>20,745,980</u>	<u>10,746,643</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2022.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues:						
Charges for Services and Sales	44,333	9,329			44,333	9,329
Operating Grants and Contributions	2,691,097	2,667,604	707,169	381,493	3,398,266	3,049,097
General Revenues:						
Taxes:						
Property Taxes	16,213,902	16,213,902			16,213,902	16,213,902
Federal and State Aid not Restricted	25,282,968	20,090,619			25,282,968	20,090,619
Federal and State Aid - Capital Outlay	647,739	415,885			647,739	415,885
Miscellaneous Income	35,531	126,604			35,531	126,604
Investment Income	<u>20,412</u>	<u>12,444</u>	<u>126</u>	<u>83</u>	<u>20,538</u>	<u>12,527</u>
Total Revenues and Transfers	<u>44,935,982</u>	<u>39,536,387</u>	<u>707,295</u>	<u>381,576</u>	<u>45,643,277</u>	<u>39,917,963</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Functions/Program Expenses						
Instruction:						
Regular	4,534,248	5,950,066			4,534,248	5,950,066
Special Education	3,631,577	4,119,755			3,631,577	4,119,755
Other Special Instruction	725,954	1,015,787			725,954	1,015,787
Other Instruction	42,139	11,934			42,139	11,934
Support Services:						
Tuition	12,369,184	11,781,492			12,369,184	11,781,492
Student & Instruction Related Services	2,959,837	2,764,045			2,959,837	2,764,045
General Administrative Services	530,860	683,816			530,860	683,816
School Administrative Services	726,039	1,078,110			726,039	1,078,110
Central Administration and Admin. Info. Tech.	864,488	725,682			864,488	725,682
Plant Operations and Maintenance	1,894,790	1,732,500			1,894,790	1,732,500
Pupil Transportation	835,336	673,390			835,336	673,390
Unallocated Benefits	5,615,519	3,283,449			5,615,519	3,283,449
Allocated Benefits	26,620	25,000			26,620	25,000
Charter Schools	10,886	26,197			10,886	26,197
Capital Outlay - Nondepreciable	105,434	280,593			105,434	280,593
Unallocated Depreciation	222,404	311,661			222,404	311,661
Food Service			548,625	344,613	548,625	344,613
Total Expenses	<u>35,095,315</u>	<u>34,463,477</u>	<u>548,625</u>	<u>344,613</u>	<u>35,643,940</u>	<u>34,808,090</u>
Increase or (Decrease) in Net Position	<u>9,840,667</u>	<u>5,072,910</u>	<u>158,670</u>	<u>36,963</u>	<u>9,999,337</u>	<u>5,109,873</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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 \$35,643,940. 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 \$44,333, by other governments and organizations who subsidized certain programs with grants and contributions \$3,398,266, unrestricted federal and state aid \$25,282,968, federal and state aid capital outlay \$647,739, and by miscellaneous sources \$56,069.

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 \$158,670.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches was \$707,169.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2022, 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 2021</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$16,318,602	35.9%	(\$43,677)	-0.27%	\$16,362,279
State Source	26,600,638	58.4%	6,503,138	32.36%	20,097,500
Federal Source	<u>2,595,145</u>	<u>5.7%</u>	<u>321,233</u>	14.13%	<u>2,273,912</u>
Total	<u>\$45,514,385</u>	<u>100.0%</u>	<u>\$6,780,694</u>	17.51%	<u>\$38,733,691</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2021</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$8,516,967	23.2%	(\$77,820)	-0.91%	\$8,594,787
Undistributed	27,583,961	75.1%	3,030,832	12.34%	24,553,129
Capital Outlay	<u>647,739</u>	<u>1.8%</u>	<u>45,921</u>	7.63%	<u>601,818</u>
Total	<u>\$36,748,667</u>	<u>100.0%</u>	<u>\$2,998,933</u>	8.89%	<u>\$33,749,734</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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, 2022, 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 \$4,028,407 for increases in federal and state grant awards.

General Fund

The general fund actual revenue was \$42,671,226 including transfers. That amount is \$5,421,642 above the final amended budget of \$37,249,584. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$4,438,995 for TPAF social security reimbursements and on-behalf pension payments and a \$982,647 excess in miscellaneous anticipated revenues, other state aids and other federal aids.

The actual expenditures of the general fund were \$33,369,680 including transfers which is \$4,802,330 less than the final amended budget of \$38,172,010. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$4,438,995 and \$9,241,325 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$3,657,697 including transfers. That amount is above the original budget estimate of \$4,310,642 and below the final amended budget of \$8,339,049. The \$4,028,407 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 \$4,681,352 variance between the final amended budget and the June 30, 2022 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 \$3,653,515, which is above the original budget of \$4,310,642 and below the final amended budget of \$8,339,049. The \$4,028,407 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 \$4,685,534 variance between the final amended budget and the June 30, 2022 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, 2022
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2022 the School District had \$15,021,238 invested in sites, buildings, equipment and construction in progress. Of this amount, \$9,841,554 in depreciation has been taken over the years. We currently have a net book value of \$5,179,684. Total depreciable additions for the year were \$898,948, which consisted of various equipment purchases. Table 3 shows fiscal year 2022 balances compared to 2021.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	1,320,213	1,320,213			1,320,213	1,320,213
Site Improvements	45,905	55,791			45,905	55,791
Buildings and Improvements	3,187,858	2,663,656			3,187,858	2,663,656
Machinery and Equipment	<u>625,142</u>	<u>605,882</u>	<u>566</u>	<u>729</u>	<u>625,708</u>	<u>606,611</u>
	<u>5,179,118</u>	<u>4,645,542</u>	<u>566</u>	<u>729</u>	<u>5,179,684</u>	<u>4,646,271</u>

Debt Administration

At June 30, 2022, the District had \$2,817,909 of long term debt. Of this amount, \$190,543 is for compensated absences and \$2,627,366 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 2022-2023 school year that is slightly above the funding level of the 2021-2022 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, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	4,310,332	164,866	4,475,198
Receivables, net	1,307,252	61,050	1,368,302
Internal Balances	(81,327)	81,327	-
Restricted assets:			
Reserve accounts - cash	18,333,006		18,333,006
Capital assets:			
Land and Construction in Progress	1,320,213		1,320,213
Depreciable Buildings, Improvements and Equipment (net)	3,858,905	566	3,859,471
Total Assets	<u>29,048,381</u>	<u>307,809</u>	<u>29,356,190</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	764,200		764,200
Total Deffered Outflows	<u>764,200</u>		<u>764,200</u>
LIABILITIES			
Accounts payable and accrued liabilities	950,534	39,235	989,769
Payable to state government	71,471		71,471
Unearned revenue	3,135,526		3,135,526
Payroll deductions and withholdings payable	329,347		329,347
Noncurrent liabilities:			
Due beyond one year	2,817,909		2,817,909
Total liabilities	<u>7,311,127</u>	<u>39,235</u>	<u>7,350,362</u>
Deferred Inflows of Resources:			
Deferred inflows of resources related to PERS	2,024,048		2,024,048
Total Deferred Inflows	<u>2,024,048</u>		<u>2,024,048</u>
NET POSITION			
Net Investment in Capital Assets	5,179,118	566	5,179,684
Restricted for:			
Debt service	82,301		82,301
Other purposes	19,740,354		19,740,354
Unrestricted (Deficit)	(4,524,367)	268,008	(4,256,359)
Total net position	<u>20,477,406</u>	<u>268,574</u>	<u>20,745,980</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, 2022

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	4,245,661	288,587		1,834,139	(2,700,109)		(2,700,109)
Special education	3,508,978	122,599			(3,631,577)		(3,631,577)
Other special instruction	676,661	49,293			(725,954)		(725,954)
Other instruction	39,554	2,585			(42,139)		(42,139)
Support services:							
Tuition	12,369,184		44,333		(12,369,184)		(12,369,184)
Student & instruction related services	2,856,273	103,564		856,958	(2,058,546)		(2,058,546)
General administrative services	513,536	17,324			(530,860)		(530,860)
School administrative services	677,020	49,019			(726,039)		(726,039)
Central services and administrative information technology	807,853	56,635			(864,488)		(864,488)
Plant operations and maintenance	1,845,406	49,384			(1,894,790)		(1,894,790)
Pupil transportation	824,943	10,393			(835,336)		(835,336)
Allocated benefits	26,620				(26,620)		(26,620)
Unallocated benefits	5,615,519				(5,615,519)		(5,615,519)
Charter schools	10,886				(10,886)		(10,886)
Capital outlay - non-depreciable	105,434				(105,434)		(105,434)
Unallocated depreciation	222,404				(222,404)		(222,404)
Total governmental activities	34,345,932	749,383	44,333	2,691,097	(32,359,885)	-	(32,359,885)
Business-type activities:							
Food Service	548,625		-	707,169		158,544	158,544
Total business-type activities	548,625		-	707,169		158,544	158,544
Total primary government	34,894,557		44,333	3,398,266	(32,359,885)	158,544	(32,201,341)
General revenues:							
Taxes:							
Levied for general purposes					16,213,902		16,213,902
Federal and State aid not restricted					25,282,968		25,282,968
Federal and State aid - Capital Outlay					647,739		647,739
Investment Earnings					20,412	126	20,538
Miscellaneous Income					35,531		35,531
Total general revenues, special items, extraordinary items and transfers					42,200,552	126	42,200,678
Change in Net Position					9,840,667	158,670	9,999,337
Net Position—beginning					10,636,739	109,904	10,746,643
Net Position—ending					20,477,406	268,574	20,745,980

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, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents				
Checking	1,481,978	2,746,053	82,301	4,310,332
Accounts Receivable -				
Intergovernmental - Federal		575,135		575,135
Intergovernmental - State	692,205	39,912		732,117
Restricted cash and cash equivalents				
Capital reserve	17,383,579			17,383,579
Tuition reserve	600,000			600,000
Payroll deductions and withholdings	140,462 *			140,462
Summer savings	188,885 *			188,885
Student activity accounts		20,080 *		20,080
	<u>20,487,109</u>	<u>3,381,180</u>	<u>82,301</u>	<u>23,950,590</u>
Total assets				
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	519,016	147,763		666,779
Intergovernmental accounts payable - State		71,471		71,471
Intergovernmental accounts payable - Federal		6,340		6,340
Interfund payables	81,327			81,327
Unearned revenue		3,135,526		3,135,526
Payroll deductions and withholdings	329,347 **			329,347
Total liabilities	<u>929,690</u>	<u>3,361,100</u>	<u>-</u>	<u>4,290,790</u>
Fund Balances:				
Restricted for:				
Excess Surplus - current year	465,820			465,820
Excess Surplus - prior year - designated for subsequent year's expenditures	229,743			229,743
Capital reserve account	17,383,579			17,383,579
Tuition reserve	600,000			600,000
Student Activities		20,080		20,080
Assigned to:				
Year-end encumbrances	916,890			916,890
Designated by the BOE for subsequent year's expenditures	144,322			144,322
Debt service fund			82,301	82,301
Unassigned:				
General fund	<u>(182,935)</u>			<u>(182,935)</u>
Total Fund balances	<u>19,557,419</u>	<u>20,080</u>	<u>82,301</u>	<u>19,659,800</u>
Total liabilities and fund balances	<u>20,487,109</u>	<u>3,381,180</u>	<u>82,301</u>	

FAIRVIEW BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2022

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 \$14,963,285 and the accumulated depreciation is \$9,784,167	5,179,118
Accounts payable for subsequent Pension payment is not a payable in the funds	(283,755)
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	764,200
Deferred inflows of resources related to PERS Pension Liability	(2,024,048)
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)	<u>(2,817,909)</u>
Net position of governmental activities	<u><u>20,477,406</u></u>

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, 2022

	<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	55,943	4,424			60,367
Student Group Receipts		44,333 *			44,333
Total - Local Sources	16,269,845	48,757	-	-	16,318,602
State sources	25,791,054	809,584			26,600,638
Federal sources	70,317	2,524,828			2,595,145
Total revenues	42,131,216	3,383,169	-	-	45,514,385
EXPENDITURES					
Current:					
Regular instruction	4,291,774				4,291,774
Special education instruction	1,674,839	1,834,139			3,508,978
Other special instruction	676,661				676,661
School sponsored/other instructional	39,554				39,554
Support services and undistributed costs:					
Tuition	12,369,184				12,369,184
Attendance and social work services	213,975				213,975
Health services	429,199				429,199
Student & instruction related services	1,113,880	1,293,798 **			2,407,678
General administrative services	513,536				513,536
School administrative services	669,325				669,325
Central services & administrative information technology	807,853				807,853
Plant operations and maintenance	1,839,421				1,839,421
Pupil transportation	811,606				811,606
Allocated benefits	26,620				26,620
Unallocated benefits	3,045,683				3,045,683
On-behalf contributions	4,438,995				4,438,995
Transfer to charter school	10,886				10,886
Capital outlay		647,739	-		647,739
Total expenditures	32,972,991	3,775,676	-	-	36,748,667
Excess (Deficiency) of revenues	9,158,225	(392,507)	-	-	8,765,718
OTHER FINANCING SOURCES (USES)					
Transfers in	241,279	396,689			637,968
Transfers out	(396,689)		(241,279)		(637,968)
Total other financing sources and uses	(155,410)	396,689	(241,279)	-	-
Net change in fund balances	9,002,815	4,182	(241,279)	-	8,765,718
Fund balance—July 1	10,554,604	15,898	241,279	82,301	10,894,082
Fund balance—June 30	19,557,419	20,080	-	82,301	19,659,800

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

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, 2022

Total net change in fund balances - governmental funds (from B-2)		8,765,718
<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	(365,372)
	Depreciable Capital outlays	<u>898,948</u>
		533,576
<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>		
	Increase in compensated absences payable	(32,258)
<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	259,735
	Plus: Pension Benefit	<u>313,896</u>
	Decrease in Pension Expense	573,631
<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>		
	Decrease in On-behalf State Aid TPAF Pension	(2,296,300)
	Decrease in On-behalf TPAF Pension Expense	2,296,300
<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	1,717,897
	Increase in On-behalf State Aid TPAF Post Employment Medical Expense	(1,717,897)
Change in net position of governmental activities		<u><u>9,840,667</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, 2022

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
ASSETS	
Current assets:	
Cash and cash equivalents	164,866
Interfund receivable	81,327
Accounts receivable:	
State	1,388
Federal	59,662
Total current assets	<u>307,243</u>
Noncurrent assets:	
Capital assets:	
Equipment	57,953
Less accumulated depreciation	<u>(57,387)</u>
Total capital assets (net of accumulated depreciation)	<u>566</u>
Total assets	<u>307,809</u>
Current Liabilities:	
Accounts Payable	<u>39,235</u>
Total Liabilities	<u>39,235</u>
NET POSITION	
Net Investment in Capital Assets	566
Unrestricted	<u>268,008</u>
Total net position	<u><u>268,574</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, 2022

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
Operating revenues:	
Charges for services:	
Daily sales-reimbursable programs	-
Total operating revenues	<u>-</u>
Operating expenses:	
Cost of sales-reimbursable programs	505,748
Supplies and materials	42,714
Depreciation expense	163
Total Operating Expenses	<u>548,625</u>
Operating income (loss)	<u>(548,625)</u>
Nonoperating revenues (expenses):	
State sources:	
School lunch program	13,881
Federal sources:	
National school lunch program	585,728
Breakfast program	47,516
Summer food service program	56,909
P-EBT Administrative Costs	3,135
Interest Income	126
Total nonoperating revenues (expenses)	<u>707,295</u>
Income (loss) before contributions & transfers	<u>158,670</u>
Total net position—beginning	<u>109,904</u>
Total net position—ending	<u><u>268,574</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, 2022

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
 CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	-
Payments to suppliers	(538,334)
Net cash provided by (used for) operating activities	<u>(538,334)</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	12,280
Federal Sources	590,614
Net cash provided by (used for) non-capital financing activities	<u>602,894</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	126
Net cash provided by (used for) investing activities	<u>126</u>
Net increase (decrease) in cash and cash equivalents	<u>64,686</u>
 Balances—beginning of year	 <u>100,180</u>
Balances—end of year	<u>164,866</u>
 Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(548,625)
Adjustments to reconcile operating income (loss) to net cash provided by	
Depreciation and net amortization	163
Increase (decrease) in accounts payable	10,128
Total adjustments	<u>10,291</u>
Net cash provided by (used for) operating activities	<u>(538,334)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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 2022, the District adopted the following GASB Statement:

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 District did not implement this statement and there could be a material impact on the financial statements.

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, 2022, \$-0- of the District's bank balance of \$25,119,024 was exposed to custodial credit risk.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

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.

NOTE 3. RECEIVABLES:

Receivables at June 30, 2022, 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 <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$887,590	\$1,388	\$888,978
Federal Aid	646,224	59,662	705,886
Due from Other Funds	<u> </u>	<u>81,327</u>	<u> </u>
Gross Receivables	1,533,814	142,377	1,594,864
Less: Allowance for Uncollectibles	<u> </u>	<u> </u>	<u> </u>
Total Receivables, Net	<u>\$1,533,814</u>	<u>\$142,377</u>	<u>\$1,594,864</u>

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022

NOTE 4. INTERFUND BALANCE AND ACTIVITY:

Balance due to/from other funds at June 30, 2022, consist of the following:

\$81,327 Due to the Enterprise Fund from the General Fund for the subsidy reimbursements not turned over.

\$81,327

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

Interfund transfers for the year ended June 30, 2022 consisted of the following:

\$396,689 Due from the General Fund to the Special Revenue Fund for District Contribution to Preschool Education Aid.

241,279 Due from the Capital Projects Fund to the General Fund for cancellation of unexpended funds.

\$637,968

NOTE 5. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance <u>6/30/21</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>6/30/22</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	1,320,213			1,320,213
Construction in progress				
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	9,633,848	736,720		10,370,568
Machinery and Equipment	<u>2,796,791</u>	<u>162,228</u>		<u>2,959,019</u>
Totals at Historical Cost	<u>12,744,124</u>	<u>898,948</u>		<u>13,643,072</u>
Less Accumulated Depreciation:				
Sites and Improvements	(257,694)	(9,886)		(267,580)
Buildings and Improvements	(6,970,192)	(212,518)		(7,182,710)
Equipment	<u>(2,190,909)</u>	<u>(142,968)</u>		<u>(2,333,877)</u>
Total Accumulated Depreciation	<u>(9,418,795)</u>	<u>(365,372)</u>		<u>(9,784,167)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>3,325,329</u>	<u>533,576</u>		<u>3,858,905</u>
Governmental Activities Capital Assets, Net	<u><u>4,645,542</u></u>	<u><u>533,576</u></u>		<u><u>5,179,118</u></u>

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 5. CAPITAL ASSETS: (continued)

	Beginning Balance <u>6/30/21</u>	<u>Additions</u>	<u>Retirements</u>	Ending Balance <u>6/30/22</u>
Business-Type Activities:				
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>(57,224)</u>	_____	<u>(163)</u>	<u>(57,387)</u>
Total Accumulated Depreciation	<u>(57,224)</u>	<u>0</u>	<u>(163)</u>	<u>(57,387)</u>
Business-Type Activity Capital Assets, Net	<u>729</u>	<u>0</u>	<u>(163)</u>	<u>566</u>

*Depreciation expense was charged to governmental functions as follows:

Unallocated	\$222,404
Instruction:	
Regular	105,885
Support Services:	
Student & Instruction Related Services	10,066
School Administration	7,695
Operations and Maintenance of Plant	5,985
Student Transportation	<u>13,337</u>
Total Depreciation Expense	<u>\$365,372</u>

NOTE 6. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the year ended June 30, 2022 were as follows:

	Balance <u>June 30, 2021</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>June 30, 2022</u>	Amount Due Within <u>One Year</u>
Other Liabilities:					
Compensated Absences Payable	\$158,285	\$75,340	(\$43,082)	\$190,543	\$
Net Pension Liability PERS	<u>3,824,690</u>	_____	<u>(1,197,324)</u>	<u>2,627,366</u>	_____
Total Other Liabilities	<u>\$3,982,975</u>	<u>\$75,340</u>	<u>(\$1,240,406)</u>	<u>\$2,817,909</u>	<u>\$</u>

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 6. LONG-TERM OBLIGATION ACTIVITY: (continued)

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, 2022, the Board had no bonds payable outstanding.

B. Bonds Authorized But Not Issued:

As of June 30, 2022 the Board has no authorized but not issued bonds.

C. Capital Leases

As of June 30, 2022, the Board has no capital leases outstanding.

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 2026. Total operating lease payments made during the year ended June 30, 2022 were \$240,525. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$253,000
2024	247,671
2025	253,863
2026	21,198
	<u>\$775,732</u>

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

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.

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

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

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.

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:

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

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

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 TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and 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> 6/30/22	\$259,735	\$16,447
6/30/21	256,572	10,664
6/30/20	202,565	11,392

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

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>
6/30/22	\$3,036,086	\$719,360	\$42,835	\$1,644
6/30/21	2,011,071	642,230	38,263	1,672
6/30/20	1,503,737	567,858	26,953	1,802

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 \$639,070 during the year ended June 30, 2022 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, 2022, the District had a liability of \$2,627,366 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 0.0221784136 percent, which was an increase/(decrease) of (0.0000127532) percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of (\$313,896). At June 30, 2022, 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, 2022**

NOTE 8. PENSION PLANS: (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$41,437	\$18,809
Changes of assumptions	13,683	935,359
Net difference between projected and actual earnings on pension plan investments		692,117
Changes in proportion and differences between District contributions and proportionate share of contributions	425,325	377,763
District contributions subsequent to the measurement date	<u>283,755</u>	<u> </u>
Total	<u>\$764,200</u>	<u>\$2,024,048</u>

The \$283,755 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, 2022, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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:	
2022	\$(619,944)
2023	(442,638)
2023	(301,804)
2025	(226,867)
2026	88

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 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 years for 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,846,499,172	16,435,616,426
District's Proportion	0.0221784136%	0.0234537321%

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. 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, 2020 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, 2022**

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-2021.

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, 2021) 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, 2021 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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments 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, 2021 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, 2021		
	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	\$3,588,072	\$2,627,366	\$1,812,070

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, 2022**

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, 2022 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>33,259,932</u>
	<u>\$33,259,932</u>

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 June 30, 2020 rolled forward to June 30, 2021. 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, 2021, the proportion of the TPAF net pension liability associated with the District was 0.0691831539%.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue of \$782,621 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, 2022**

NOTE 8. PENSION PLANS: (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 are summarized in the following table:

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 based on 100% of the actuarially determined contributions for the State. 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 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, 2022**

NOTE 9. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Required OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as “the employers”) for which the State is legally obligated to pay for benefits. The State Required OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premium or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen’s Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L. 1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No.75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

Pursuant to P.L. 2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

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, 2022 was as follows:

OPEB Liability:	
District's proportionate share	\$
State's proportionate share associated with the District	<u>36,645,763</u>
	<u>\$36,645,763</u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2021 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:

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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	2.75 - 5.65% based on service years	3.00 - 7.00% based on service years

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-2021. 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-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 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 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

(b) Discount Rate

The discount rate for June 30, 2021 was 2.16%. 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.

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

For the year ended June 30, 2021, the board of education/board of trustees recognized on-behalf OPEB expense of \$2,437,257 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

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

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.

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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$9,142,300
Increased by:	
Transfer from Capital Projects	241,279
Deposits Approved by Board Resolution	<u>8,000,000</u>
	<u>8,241,279</u>
Ending Balance, June 30, 2022	<u>\$17,383,579</u>

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022

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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$600,000
Increased by:	
Deposits Approved by Board Resolution	300,000
Decreased by:	
Budget Appropriations	<u>300,000</u>
Ending Balance, June 30, 2022	<u>\$600,000</u>

NOTE 14. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] – Of the \$19,557,419 General Fund fund balance at June 30, 2022, \$916,890 is reserved for encumbrances; \$695,563 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$229,743 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2023); \$17,383,579 has been reserved in the Capital Reserve Account; \$600,000 has been reserved in the Tuition Reserve Account; \$144,322 of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ended June 30, 2023; (\$182,935) is unreserved and undesignated.

Special Revenue Fund - The Special Revenue Fund balance at June 30, 2022 of \$20,080 is reserved for Student Groups.

Debt Service Fund - The Debt Service Fund balance at June 30, 2022 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, 2022 is \$679,695. Of this amount, \$465,820 is the result of current year’s operations.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 16. 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 17. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through February 3, 2023, 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, 2022**

	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	
Tuition from Summer School				4,700	4,700
Interest Eamed on Capital Reserve Funds	1		1		(1)
Unrestricted Miscellaneous Revenues				51,243	51,243
Total - Local Sources	16,213,903		16,213,903	16,269,845	55,942
Revenues from State Sources:					
Categorical Special Education Aid	1,748,955		1,748,955	1,748,955	
Equalization Aid	18,360,180		18,360,180	18,360,180	
Categorical Security Aid	721,266		721,266	721,266	
Categorical Transportation Aid	159,545		159,545	159,545	
Extraordinary Aid				657,465	657,465
NTE Homeless Reimbursement				3,379	3,379
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				719,360	719,360
On-behalf TPAF Pension (non-budgeted)				3,036,086	3,036,086
On-behalf TPAF NCGI Premium (non-budgeted)				42,835	42,835
On-behalf TPAF LTDI				1,644	1,644
Reimbursed TPAF Social Security Contributions (non-budgeted)				639,070	639,070
Total - State Sources	20,989,946		20,989,946	26,089,785	5,099,839
Revenues from Federal Sources:					
Special Education Medicaid Initiative	45,735		45,735	62,686	16,951
MAC				7,631	7,631
Total - Federal Sources	45,735		45,735	70,317	24,582
TOTAL REVENUES	37,249,584		37,249,584	42,429,947	5,180,363
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	56,642		56,642	525	56,117
Kindergarten - Salaries of Teachers	509,210	(44,644)	464,566	419,866	44,700
Grades 1-5 - Salaries of Teachers	2,487,693	(47,648)	2,440,045	2,227,892	212,153
Grades 6-8 - Salaries of Teachers	1,206,201	33,887	1,240,088	1,146,085	94,003
Regular Programs - Home Instruction:					
Salaries of Teachers					
Other Salaries for Instruction	53,550	4,000	57,550	19,104	38,446
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	217,318	(4,000)	213,318	146,134	67,184
Other Purchased Services (400-500 series)	460,995		460,995	88,839	372,156
General Supplies	496,973		496,973	98,711	398,262
Textbooks	482,360		482,360	104,698	377,662
Other Objects	187,807		187,807	39,920	147,887
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,158,749	(58,405)	6,100,344	4,291,774	1,808,570
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	543,701	55,636	599,337	523,575	75,762
Other Salaries for Instruction	206,821	(55,636)	151,185	135,859	15,326
General Supplies	4,000		4,000	503	3,497
Textbooks	5,000		5,000		5,000
Other Objects	2,000		2,000	267	1,733
Total Learning and/or Language Disabilities	761,522		761,522	660,204	101,318
Resource Room/Resource Center:					
Salaries of Teachers	818,181	231,596	1,049,777	828,463	221,314
Total Resource Room/Resource Center	818,181	231,596	1,049,777	828,463	221,314
Preschool Disabilities- Full-Time:					
Salaries of Teachers	228,885		228,885	155,170	73,715
Other Salaries for Instruction	107,472		107,472	30,957	76,515
General Supplies	5,233		5,233	45	5,188
Other Objects	2,500		2,500		2,500
Total Preschool Disabilities - Full-Time	344,090		344,090	186,172	157,918
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,923,793	231,596	2,155,389	1,674,839	480,550
Basic Skills/Remedial - Instruction					
Salaries of Teachers	7,000		7,000	300	6,700
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	15,000		15,000	300	14,700

Exhibit C-1

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction					
Salaries of Teachers	796,315		796,315	647,727	148,588
Other Salaries for Instruction	27,269		27,269	25,069	2,200
General Supplies	3,387	(1,067)	2,320	356	1,964
Textbooks	2,000	1,067	3,067	3,067	
Other Objects	1,000		1,000	142	858
Total Bilingual Education - Instruction	<u>829,971</u>		<u>829,971</u>	<u>676,361</u>	<u>153,610</u>
School-Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	48,000		48,000	12,013	35,987
Supplies and Materials	4,000	537	4,537	3,895	642
Total School-Sponsored Coextracurricular Activities - Instruction	<u>52,000</u>	<u>537</u>	<u>52,537</u>	<u>15,908</u>	<u>36,629</u>
School-Sponsored Athletics - Instruction					
Salaries	28,112		28,112	23,284	4,828
Supplies and Materials	5,537	(537)	5,000	362	4,638
Other Objects	1,000		1,000		1,000
Total School-Sponsored Athletics - Instruction	<u>34,649</u>	<u>(537)</u>	<u>34,112</u>	<u>23,646</u>	<u>10,466</u>
TOTAL INSTRUCTION	<u>9,014,162</u>	<u>173,191</u>	<u>9,187,353</u>	<u>6,682,828</u>	<u>2,504,525</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	9,757,240	(1,017,639)	8,739,601	6,676,789	2,062,812
Tuition to Other LEAs Within the State - Special	3,958,153	176,723	4,134,876	3,720,396	414,480
Tuition to County Voc. School Dist. - Regular	230,751	(28,338)	202,413	127,647	74,766
Tuition to County Voc. School Dist. - Special	57,491	28,338	85,829	73,440	12,389
Tuition to CSSD & Regional Day Schools	1,972,003		1,972,003	1,770,912	201,091
Tuition to Private Schools for the Handicapped - Within State	301,774	(3,127)	298,647		298,647
Total Undistributed Expenditures - Instruction:	<u>16,277,412</u>	<u>(844,043)</u>	<u>15,433,369</u>	<u>12,369,184</u>	<u>3,064,185</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	126,515	95,954	222,469	213,975	8,494
Total Undistributed Expend. - Attend. & Social Work	<u>126,515</u>	<u>95,954</u>	<u>222,469</u>	<u>213,975</u>	<u>8,494</u>
Undist. Expend. - Health Services					
Salaries	316,119	101,400	417,519	384,826	32,693
Purchased Professional and Technical Services	109,732	(16,860)	92,872	33,712	59,160
Supplies and Materials	9,454	1,456	10,910	10,661	249
Total Undistributed Expenditures - Health Services	<u>435,305</u>	<u>85,996</u>	<u>521,301</u>	<u>429,199</u>	<u>92,102</u>
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	158,251	82,802	241,053	215,440	25,613
Purchased Prof. Services-Educational Services	508,378	(128,813)	379,565	298,559	81,006
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	<u>666,629</u>	<u>(46,011)</u>	<u>620,618</u>	<u>513,999</u>	<u>106,619</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	59,478	16,678	76,156	71,971	4,185
Total Undist. Expend. - Guidance	<u>59,478</u>	<u>16,678</u>	<u>76,156</u>	<u>71,971</u>	<u>4,185</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	341,011	44,956	385,967	352,737	33,230
Salaries of Secretarial and Clerical Assistants	118,033		118,033	116,143	1,890
Total Undist. Expend. - Child Study Teams	<u>459,044</u>	<u>44,956</u>	<u>504,000</u>	<u>468,880</u>	<u>35,120</u>
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction		470	470		470
Total Undist. Expend. - Improvement of Inst. Services		<u>470</u>	<u>470</u>		<u>470</u>
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	61,578	3,226	64,804	59,030	5,774
Total Undist. Expend. - Educational Media Serv./Sch. Library	<u>61,578</u>	<u>3,226</u>	<u>64,804</u>	<u>59,030</u>	<u>5,774</u>
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	320,183	(83,587)	236,596	236,546	50
Legal Services	97,000	(2,277)	94,723	59,759	34,964
Audit Fees	92,000		92,000	37,500	54,500
Architectural/Engineering Services	386,200		386,200	31,200	355,000
Purchased Technical Services	82,000		82,000	31,044	50,956
Communications/Telephone	75,660	(19,049)	56,611	31,305	25,306
Other Purch Services (400-500 Series)	22,000		22,000	12,947	9,053
General Supplies	49,574	19,049	68,623	46,504	22,119
Misc. Expenditures	33,007		33,007	24,061	8,946
BOE Membership Dues and Fees	7,500		7,500	2,670	4,830
Total Undist. Expend. - Supp. Serv. - General Administration	<u>1,165,124</u>	<u>(85,864)</u>	<u>1,079,260</u>	<u>513,536</u>	<u>565,724</u>
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	599,434		599,434	454,519	144,915
Salaries of Secretarial and Clerical Assistants	272,371		272,371	214,806	57,565
Total Undist. Expend. - Support Serv. - School Administration	<u>871,805</u>		<u>871,805</u>	<u>669,325</u>	<u>202,480</u>

Exhibit C-1

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - Central Services					
Salaries	385,671	295,628	681,299	650,789	30,510
Unused Vacation Payment to Terminated/Retired Staff	25,000		25,000		25,000
Supplies and Materials	15,777	395	16,172	13,949	2,223
Other Objects		20,647	20,647	20,589	58
Total Undist. Expend. - Support Serv. - Central Services	426,448	316,670	743,118	685,327	57,791
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	118,802	3,724	122,526	122,526	
Other Purch Services (400-500 Series)	15,000	(15,000)			
Total Undist. Expend. - Support Serv. - Administrative	133,802	(11,276)	122,526	122,526	
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	63,908	4,252	68,160	68,160	
Cleaning, Repair and Maintenance Services	314,150		314,150	56,214	257,936
General Supplies	45,736		45,736	15,020	30,716
Undist. Expend. - Required Maint. for School Facilities	423,794	4,252	428,046	139,394	288,652
Undist. Expend. - Custodial Services (262)					
Salaries	574,503	83,290	657,793	589,717	68,076
Purchased Prof. And Tech. Services	10,980	11,879	22,859	17,364	5,495
Cleaning, Repair and Maintenance Services	260,597	(11,879)	248,718	204,936	43,782
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt.	276,217	(39,516)	236,701	209,258	27,443
Other Purchased Property Services	19,900	3,729	23,629	21,161	2,468
Insurance	330,372		330,372	163,588	166,784
Miscellaneous Purchased Services	6,000	3,000	9,000	6,003	2,997
General Supplies	68,860	(3,000)	65,860	61,972	3,888
Energy (Natural Gas)	86,458		86,458	72,539	13,919
Energy (Electricity)	287,252		287,252	118,819	168,433
Energy (Gasoline)	82,845		82,845	10,216	72,629
Total Undist. Expend. - Custodial Services	2,003,984	47,503	2,051,487	1,475,573	575,914
Undist. Expend. - Security					
Salaries	304,793	(261,322)	43,471	16,440	27,031
Purchased Professional and Technical Services	158,851	49,163	208,014	208,014	
Total Undist. Expend. - Security	463,644	(212,159)	251,485	224,454	27,031
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet. Home & Sch.) - Regular	13,726	11,491	25,217	25,198	19
Salaries for Pupil Trans (Bet. Home & Sch.) - Sp Ed	112,894	18,325	131,219	116,316	14,903
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	25,000	(16,354)	8,646	405	8,241
Cleaning, Repair and Maintenance Services	32,862	(3,500)	29,362	12,599	16,763
Lease Purchase Payments - School Buses					
Contract Services (Between Home & School)-Vendors	558,978	(21,937)	537,041	395,356	141,685
Contract Services (Sp. Ed. Students)-Vendors	59,280	222,569	281,849	246,849	35,000
Miscellaneous Purchased Services - Transportation	1,000		1,000	616	384
General Supplies	11,400	2,867	14,267	14,267	
Total Undist. Expend. - Student Transportation Services	815,140	213,461	1,028,601	811,606	216,995
ALLOCATED BENEFITS					
Support Services - Central Services					
Unused Sick Payment to Terminated/Retired Staff	88,000		88,000	26,620	61,380
TOTAL ALLOCATED BENEFITS	88,000		88,000	26,620	61,380
UNALLOCATED BENEFITS					
Social Security Contributions	192,557	(283)	192,274	167,495	24,779
T.P.A.F. Contributions - ERIP					
Other Retirement Contributions-PERS	245,787	63,283	309,070	309,070	
Unemployment Compensation	45,647	2,000	47,647	45,917	1,730
Workmen's Compensation	170,871	(34,000)	136,871	109,948	26,923
Health Benefits	3,158,601	(31,000)	3,127,601	2,256,182	871,419
Other Employee Benefits	183,000		183,000	157,071	25,929
TOTAL UNALLOCATED BENEFITS	3,996,463		3,996,463	3,045,683	950,780
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				719,360	(719,360)
On-behalf TPAF Pension (non-budgeted)				3,036,086	(3,036,086)
On-behalf TPAF NCGI Premium (non-budgeted)				42,835	(42,835)
On-behalf TPAF LTDI				1,644	(1,644)
Reimbursed TPAF Social Security Contributions (non-budgeted)				639,070	(639,070)
TOTAL ON-BEHALF CONTRIBUTIONS				4,438,995	(4,438,995)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	4,084,463		4,084,463	7,511,298	(3,426,835)
TOTAL UNDISTRIBUTED EXPENDITURES	28,474,165	(370,187)	28,103,978	26,279,277	1,824,701
TOTAL GENERAL CURRENT EXPENSE	37,488,327	(196,996)	37,291,331	32,962,105	4,329,226

Exhibit C-1

**FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Construction Services	56,279	381,996	438,275		438,275
Supplies and Materials	185,000	(185,000)			
Total Facilities Acquisition and Construction Services	<u>241,279</u>	<u>196,996</u>	<u>438,275</u>		<u>438,275</u>
TOTAL CAPITAL OUTLAY	<u>241,279</u>	<u>196,996</u>	<u>438,275</u>		<u>438,275</u>
Transfer of Funds to Charter Schools	<u>45,715</u>		<u>45,715</u>	10,886	34,829
TOTAL EXPENDITURES	<u>37,775,321</u>		<u>37,775,321</u>	<u>32,972,991</u>	<u>4,802,330</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(525,737)</u>		<u>(525,737)</u>	<u>9,456,956</u>	<u>9,982,693</u>
Other Financing Sources/(Uses):					
Operating Transfers In:					
Capital Reserve - Transfer from Capital Projects				241,279	(241,279)
Operating Transfers Out:					
Transfer to Special Revenue Fund - Local Contribution Inclusion	(396,689)		(396,689)	(396,689)	
Total Other Financing Sources/(Uses):	<u>(396,689)</u>		<u>(396,689)</u>	<u>(155,410)</u>	<u>(241,279)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(922,426)</u>		<u>(922,426)</u>	<u>9,301,546</u>	<u>10,223,972</u>
Fund Balance, July 1	12,253,500		12,253,500	12,253,500	
Fund Balance, June 30	<u>11,331,074</u>		<u>11,331,074</u>	<u>21,555,046</u>	<u>10,223,972</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(198,876)		(198,876)	(198,876)	
Increase in Capital Reserve:					
Principal				8,241,279	8,241,279
Interest Deposit to Capital Reserve	1		1		(1)
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>(423,551)</u>		<u>(423,551)</u>	<u>1,259,143</u>	<u>1,682,694</u>
	<u>(922,426)</u>		<u>(922,426)</u>	<u>9,301,546</u>	<u>10,223,972</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				465,820	
Excess Surplus - Designated for Subsequent Year's Expenditures				229,743	
Tuition Reserve - Designated for Subsequent Year's Budget				300,000	
Tuition Reserve				300,000	
Capital Reserve				17,383,579	
Assigned Fund Balance:					
Year-end Encumbrances				916,890	
Designated for Subsequent Year's Expenditures				144,322	
Unassigned Fund Balance				<u>1,814,692</u>	
Total Fund Balance per Governmental Funds (Budgetary)				21,555,046	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				1,997,627	
Total Fund Balance per Governmental Funds (GAAP)				<u>19,557,419</u>	

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
REVENUES:						
Local Sources		30,912	30,912	48,757	(17,845)	note 1
State Sources	2,523,949	138,571	2,662,520	820,883	1,841,637	
Federal Sources	1,390,004	3,858,924	5,248,928	2,391,368	2,857,560	
Total Revenues	3,913,953	4,028,407	7,942,360	3,261,008	4,681,352	
EXPENDITURES:						
Instruction:						
Salaries of Teachers	1,085,267	(134,377)	950,890	776,485	174,405	
Other Salaries for Instruction	143,557	3,180	146,737	92,340	54,397	
Unused Vacation Payment to Terminated/Retired Staff	45,509	(45,509)				
Purchased Professional - Educational Services	242,278	107,384	349,662	224,055	125,607	
Other Purchased Services (400-500 series)	842,262	(480,443)	361,819	353,777	8,042	
General Supplies	90,751	469,796	560,547	322,333	238,214	
Textbooks	21,810	(1,163)	20,647	20,642	5	
Other Objects	396,689	25,000	421,689	-	421,689	
Total instruction	2,868,123	(56,132)	2,811,991	1,789,632	1,022,359	
Support services:						
Salaries of Supervisors of Instruction	96,227	(96,227)		-	-	
Salaries of Program Directors		91,896	91,896	45,855	46,041	
Salaries of Other Professional Staff		213,860	213,860	112,799	101,061	
Salaries of Secretarial and Clerical Assistants	48,635	(7,629)	41,006	21,276	19,730	
Other Salaries		84,724	84,724	42,522	42,202	
Salaries of Community Parent Involvement Specialists		89,075	89,075	14,436	74,639	
Salaries of Master Teachers	117,039	(117,039)		-	-	
Personnel Services - Employee Benefits	358,543		370,007	359,593	368,957	
Purchased Education Services - Head Start	359,491	(26,551)	332,940	1,100	331,840	
Purchased Professional - Educational Services	5,000	20,000	25,000	21,077	3,923	
Other Purchased Professional Services	150,384	267,559	417,943	152,854	265,089	
Cleaning, Repair and Maintenance Services	5,000	247,375	252,375	199,455	52,920	
Rentals	124,537	(65,807)	58,730	4,900	53,830	
Contracted Transportation Services (Field Trips)	5,000	-	5,000	-	5,000	
Travel	2,000	(2,000)		-	-	
Miscellaneous Purchased Services		90,498	90,498	55,164	35,334	
Supplies & Materials	55,651	152,099	207,750	92,238	115,512	
Student Activity Disbursements				40,151	(40,151)	note 1
Total support services	1,327,507	1,311,840	2,639,347	1,163,420	1,475,927	
Facilities acquisition and const. serv.:						
Instructional Equipment	12,160	3,039	15,199	15,151	48	
Noninstructional Equipment	102,852	2,769,660	2,872,512	685,312	2,187,200	
Total facilities acquisition and const. serv.	115,012	2,772,699	2,887,711	700,463	2,187,248	
Total Expenditures	4,310,642	4,028,407	8,339,049	3,653,515	4,685,534	
Other Financing Sources (Uses):						
General Fund - Preschool Education Aid - Regular	396,689		396,689	396,689		
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	4,182	(4,182)	
Fund Balance, July 1				\$ 15,898		
Fund Balance, June 30				\$ 20,080		
Recapitulation:						
Restricted:						
Student Activities				\$ 20,080		
Total Fund Balance				\$ 20,080		

note 1 Not required to budget for student activity funds

**FAIRVIEW BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2022**

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]	42,429,947	3,261,008
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			346,553
Current Year			(224,392)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,698,896	
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).		(1,997,627)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	42,131,216	3,383,169
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	32,972,991	3,653,515
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			346,553
Current Year			(224,392)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	32,972,991	3,775,676

**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%
2022	0.0221784136%	\$ 2,627,366	\$ 1,702,423	154.33%	54.77%

* 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%
2022	259,735	(259,735)			-	1,702,423	1,702,423	15.26%

* 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	District's	Plan Fiduciary
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Share of the Net Pension Liability Associated with the District (Asset)	Payroll - TPAF Employee's	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Net Position as a Percentage of the Total Pension Liability
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%
2022	0.0691831539%	\$ -	33,259,932	8,711,942	0.00%	35.52%

* 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, 2022

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

None

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

None

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**

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Costs	\$ 2,328,770	\$ 1,243,996	\$ 1,170,009	\$ 1,361,662	\$ 1,639,352
Interest on Total OPEB Liability	950,630	909,353	1,126,956	1,212,593	1,038,389
Changes of Benefit Terms	(39,005)				
Differences between Expected and Actual Experiences	(7,414,217)	7,388,395	(5,159,274)	(3,144,882)	
Changes in Assumptions	36,154	7,582,078	374,017	(3,249,902)	(4,231,867)
Gross Benefit Payments	(748,830)	(722,619)	(770,030)	(757,276)	(761,385)
Contribution from the Member	24,303	21,903	22,826	26,173	28,036
Net Changes in total Share of OPEB Liability	<u>(4,862,195)</u>	<u>16,423,106</u>	<u>(3,235,496)</u>	<u>(4,551,632)</u>	<u>(2,287,475)</u>
Total OPEB Liability - Beginning	41,507,958	25,084,852	28,320,348	32,871,980	35,159,455
Total OPEB Liability - Ending	<u>\$ 36,645,763</u>	<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	36,645,763	41,507,958	25,084,852	28,320,348	32,871,980
Total OPEB Liability - Ending	<u>\$ 36,645,763</u>	<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>\$ 10,414,365</u>	<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%	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 Decrease in liability due to employers adopting provisions of Chapter 44.

Change in assumptions Assumptions used in calculating the OPEB liability are presented in Note 9.

* 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.

Other Supplementary Information

SPECIAL REVENUE FUND

FAIRVIEW BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1a)	CARES Act	IDEA Part - B	IDEA Part - B Preschool	ESEA Title I	ESEA Title II, Part A Training & Recruiting	Totals 2022
REVENUES							
Local Sources	48,757						48,757
State Sources	820,883						820,883
Federal Sources	730,839	243,440	390,830	10,638	932,600	83,021	2,391,368
Total Revenues	1,600,479	243,440	390,830	10,638	932,600	83,021	3,261,008
EXPENDITURES:							
Instruction:							
Salaries of Teachers	254,551	2,350			519,584		776,485
Other Salaries for Instruction	88,193				4,147		92,340
Purchased Professional - Educational Services	156,400				67,655		224,055
Other Purchased Services (400-500 series)	-		343,139	10,638			353,777
General Supplies	174,969	89,530			57,834		322,333
Textbooks	20,642						20,642
Total Instruction	694,755	91,880	343,139	10,638	649,220	-	1,789,632
Support services:							
Salaries of Program Directors	45,855						45,855
Salaries of Other Professional Staff	87,405		25,394				112,799
Salaries of Secretarial and Clerical Assistants	21,276						21,276
Other Salaries	30,024		12,498				42,522
Salaries of Community Parent Involvement Specialists	14,436						14,436
Personnel Services - Employee Benefits	181,099	207	2,899		175,388		359,593
Purchased Education Services - Head Start	1,100						1,100
Purchased Professional - Educational Services	21,077					27,857	48,934
Other Purchased Professional Services	99,757				25,240		125,000
Cleaning, Repair and Maintenance Services	199,455						199,455
Rentals	4,900						4,900
Miscellaneous Purchased Services	-						-
Supplies & Materials	2,586		6,900		82,752		92,238
Student Activity Disbursements	40,151						40,151
Total support services	749,121	207	47,691	-	283,380	83,021	1,163,420
Facilities acquisition and const. serv.:							
Instructional Equipment	14,400	751					15,151
Noninstructional Equipment	534,710	150,602					685,312
Total facilities acquisition and const. serv.	549,110	151,353	-	-	-	-	700,463
Total Expenditures	1,992,986	243,440	390,830	10,638	932,600	83,021	3,653,515
Other Financing Sources (Uses):							
General Fund - Preschool Education Aid - Inclusion	396,689						396,689
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	4,182						4,182
Fund Balance, July 1	15,898						15,898
Fund Balance, June 30	20,080						20,080

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1b)	ESEA Title III	ESEA Title IV	ARP - IDEA Part - B	Learning Acceleration	ESSER II	Total Carried Forward
REVENUES							
Local Sources	48,757						48,757
State Sources	820,883		75,613	12,044	21,077	552,325	820,883
Federal Sources	-	69,780					730,839
Total Revenues	869,640	69,780	75,613	12,044	21,077	552,325	1,600,479
EXPENDITURES:							
Instruction:							
Salaries of Teachers	242,750	5,625	6,176				254,551
Other Salaries for Instruction	88,193						88,193
Purchased Professional - Educational Services	156,400						156,400
Other Purchased Services (400-500 series)	-	50,745	30,260			81,928	-
General Supplies	12,036						174,969
Textbooks	20,642						20,642
Total Instruction	520,021	56,370	36,436	-	-	81,928	694,755
Support services:							
Salaries of Program Directors	45,855						45,855
Salaries of Other Professional Staff	87,405						87,405
Salaries of Secretarial and Clerical Assistants	21,276						21,276
Other Salaries	30,024						30,024
Salaries of Community Parent Involvement Specialists	14,436						14,436
Personnel Services - Employee Benefits	180,283	499	317				181,099
Purchased Education Services - Head Start	1,100						1,100
Purchased Professional - Educational Services	38,528	11,700	37,485	12,044	21,077		99,757
Other Purchased Professional Services	199,455						199,455
Cleaning, Repair and Maintenance Services	4,900						4,900
Rentals	-						-
Miscellaneous Purchased Services	-						-
Supplies & Materials	-	1,211	1,375				2,586
Student Activity Disbursements	40,151						40,151
Total support services	663,413	13,410	39,177	12,044	21,077	-	749,121
Facilities acquisition and const. serv.:							
Instructional Equipment	14,400						14,400
Noninstructional Equipment	64,313					470,397	534,710
Total facilities acquisition and const. serv.	78,713	-	-	-	-	470,397	549,110
Total Expenditures	1,622,147	69,780	75,613	12,044	21,077	552,325	1,992,986
Other Financing Sources (Uses):							
General Fund - Preschool Education Aid - Inclusion	396,689						396,689
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	4,182						4,182
Fund Balance, July 1	15,898						15,898
Fund Balance, June 30	20,080						20,080

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1c)	NJSB Safety Grant	Nonpublic Technology	Nonpublic Nursing	Chapter 194 Nonpublic Textbook	Nonpublic Security	Total Carried Forward
REVENUES							
Local Sources	44,333	4,424					48,757
State Sources	687,424		14,400	38,528	20,642	59,889	820,883
Federal Sources	-						-
Total Revenues	731,757	4,424	14,400	38,528	20,642	59,889	869,640
EXPENDITURES:							
Instruction:							
Salaries of Teachers	242,750						242,750
Other Salaries for Instruction	88,193						88,193
Purchased Professional - Educational Services	156,400						156,400
Other Purchased Services (400-500 series)	-						-
General Supplies	12,036						12,036
Textbooks	-				20,642		20,642
Total instruction	499,379				20,642		520,021
Support services:							
Salaries of Program Directors	45,855						45,855
Salaries of Other Professional Staff	87,405						87,405
Salaries of Secretarial and Clerical Assistants	21,276						21,276
Other Salaries	30,024						30,024
Salaries of Community Parent Involvement Specialists	14,436						14,436
Personnel Services - Employee Benefits	180,283						180,283
Purchased Education Services - Head Start	1,100						1,100
Purchased Professional - Educational Services	-						-
Other Purchased Professional Services	199,455			38,528			38,528
Cleaning, Repair and Maintenance Services	4,900						4,900
Rentals	-						-
Miscellaneous Purchased Services	-						-
Supplies & Materials	40,151						40,151
Student Activity Disbursements	-						-
Total support services	624,885			38,528			663,413
Facilities acquisition and const. serv.:							
Instructional Equipment	-		14,400				14,400
Noninstructional Equipment	-	4,424				59,889	64,313
Total facilities acquisition and const. serv.		4,424				59,889	78,713
Total Expenditures	1,124,264	4,424	14,400	38,528	20,642	59,889	1,262,147
Other Financing Sources (Uses):							
General Fund - Preschool Education Aid - Inclusion	396,689						396,689
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	4,182						4,182
Fund Balance, July 1	15,898						15,898
Fund Balance, June 30	20,080						20,080

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2022

	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	44,333					44,333
State Sources	26,916	531,024	108,840	11,145	9,499	687,424
Federal Sources	-					-
Total Revenues	71,249	531,024	108,840	11,145	9,499	731,757
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-	242,750				242,750
Other Salaries for Instruction	-	88,193				88,193
Purchased Professional - Educational Services	26,916		108,840	11,145	9,499	156,400
Other Purchased Services (400-500 series)	-					-
General Supplies	-	12,036				12,036
Textbooks	-					-
Total Instruction	26,916	342,979	108,840	11,145	9,499	499,379
Support services:						
Salaries of Program Directors	-	45,855				45,855
Salaries of Other Professional Staff	-	87,405				87,405
Salaries of Secretarial and Clerical Assistants	-	21,276				21,276
Other Salaries	-	30,024				30,024
Salaries of Community Parent Involvement Specialists	-	14,436				14,436
Personnel Services - Employee Benefits	-	180,283				180,283
Purchased Education Services - Head Start	-	1,100				1,100
Purchased Professional - Educational Services	-					-
Other Purchased Professional Services	-	199,455				199,455
Cleaning, Repair and Maintenance Services	-	4,900				4,900
Rentals	-					-
Miscellaneous Purchased Services	-					-
Supplies & Materials	-					-
Student Activity Disbursements	40,151					40,151
Total support services	40,151	584,734	-	-	-	624,885
Facilities acquisition and const. serv.:						
Instructional Equipment	-					-
Noninstructional Equipment	-					-
Total facilities acquisition and const. serv.	-	-	-	-	-	-
Total Expenditures	67,067	927,713	108,840	11,145	9,499	1,124,264
Other Financing Sources (Uses):						
General Fund - Preschool Education Aid - Inclusion	-	396,689				396,689
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	4,182					4,182
Fund Balance, July 1	15,898					15,898
Fund Balance, June 30	20,080					20,080

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2022

	Chapter 193 Exam & Classification	Chapter 193 Corrective Speech	Public School Account	Total Carried Forward
REVENUES				
Local Sources			44,333	44,333
Slate Sources	11,943	14,973		26,916
Federal Sources				-
Total Revenues	11,943	14,973	44,333	71,249
EXPENDITURES:				
Instruction:				
Salaries of Teachers				-
Other Salaries for Instruction				-
Purchased Professional - Educational Services	11,943	14,973		26,916
Other Purchased Services (400-500 series)				-
General Supplies				-
Textbooks				-
Total instruction	11,943	14,973	-	26,916
Support services:				
Salaries of Program Directors				-
Salaries of Other Professional Staff				-
Salaries of Secretarial and Clerical Assistants				-
Other Salaries				-
Salaries of Community Parent Involvement Specialists				-
Personnel Services - Employee Benefits				-
Purchased Education Services - Head Start				-
Purchased Professional - Educational Services				-
Other Purchased Professional Services				-
Cleaning, Repair and Maintenance Services				-
Rentals				-
Miscellaneous Purchased Services				-
Supplies & Materials			40,151	40,151
Student Activity Disbursements			40,151	40,151
Total support services	-	-	40,151	40,151
Facilities acquisition and const. serv.:				
Instructional Equipment				-
Noninstructional Equipment				-
Total facilities acquisition and const. serv.	-	-	-	-
Total Expenditures	11,943	14,973	40,151	67,067
Other Financing Sources (Uses):				
General Fund - Preschool Education Aid - Inclusion				-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	4,182	4,182
Fund Balance, July 1			15,898	15,898
Fund Balance, June 30	-	-	20,080	20,080

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2022

	District Wide Total		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of Teachers	264,685	242,750	21,935
Other Salaries for Instruction	142,590	88,193	54,397
Purchase Professional - Educational Services	50,000		50,000
General Supplies	132,883	12,036	120,847
Other Objects	421,689		421,689
	1,011,847	342,979	668,868
Total instruction			
Support services:			
Salaries of Program Directors	91,896	45,855	46,041
Salaries of Other Professional Staff	146,483	87,405	59,078
Salaries of Secr. and Clerical Assistants	41,006	21,276	19,730
Other Salaries	50,000	30,024	19,976
Salaries of Community Parent Involvement Specialists	89,075	14,436	74,639
Personal Services - Employee Benefits	543,461	180,283	363,178
Purchased Education Services - Head Start	332,940	1,100	331,840
Purchased Professional - Educational Services	25,000		25,000
Other Purchased Professional Services	15,000		15,000
Cleaning, Repair and Maintenance Services	252,375	199,455	52,920
Rentals	58,730	4,900	53,830
Contracted Transportation Services (Field Trips)	5,000		5,000
	1,650,966	584,734	1,066,232
Total support services			
	2,662,813	927,713	1,735,100
Total expenditures			

Summary of Location Totals

Total revised 2021-22 Preschool Education Aid	2,265,615
Add: Actual Carryover (June 30, 2021)	1,601,009
Add: Budgeted Transfer from the General Fund 2021-22	396,689
Total Preschool Education Aid Funds Available for 2021-22 Budget	4,263,313
Less: 2021-22 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	2,662,813
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2022	1,600,500
Add: June 30, 2022 Unexpended Preschool Education Aid	1,735,100
2021-22 Carryover - Preschool Education Aid/Preschool	3,335,600
2021-22 Preschool Education Aid Carryover Budgeted for Preschool Programs 2022-23	

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, 2022**

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 -

Other Finance Sources (Uses)

Transfers out:	
General Fund	(241,279)
	(241,279)
Total other financing sources (uses)	(241,279)

Net change in fund balance (241,279)

Fund balance - beginning 241,279

Fund balance - ending -

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, 2022

	<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
	<u>399,000</u>	<u>-</u>	<u>399,000</u>	<u>399,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	395,550		395,550	399,000
Equipment purchases			-	
	<u>395,550</u>	<u>-</u>	<u>395,550</u>	<u>399,000</u>
Other Finance Sources (Uses)				
Transfers out		(3,450)	(3,450)	
Total other financing sources (uses)	<u>-</u>	<u>(3,450)</u>	<u>(3,450)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,450</u>	<u>(3,450)</u>	<u>-</u>	<u>-</u>
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, 2022**

	<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	<u>544,400</u>		<u>544,400</u>	<u>544,400</u>
	<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>
Other Finance Sources (Uses)				
Transfers in				
Transfers out		<u>(213,958)</u>	<u>(213,958)</u>	
Total other financing sources (uses)	<u>-</u>	<u>(213,958)</u>	<u>(213,958)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>213,958</u>	<u>(213,958)</u>	<u>-</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, 2022

	<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>
Other Finance Sources (Uses)				
Transfers out		(23,871)	(23,871)	
Total other financing sources (uses)	<u>-</u>	<u>(23,871)</u>	<u>(23,871)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,871</u>	<u>(23,871)</u>	<u>-</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, 2022

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Project Funds Transferred Out
			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	-	-213958
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, 2022

	<u>Food Service Program</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and cash equivalents	164,866	164,866
Interfund receivable	81,327	81,327
Accounts receivable:		
State	1,388	1,388
Federal	59,662	59,662
Total current assets	<u>307,243</u>	<u>307,243</u>
Noncurrent assets:		
Capital assets:		
Equipment	57,953	57,953
Less accumulated depreciation	<u>(57,387)</u>	<u>(57,387)</u>
Total capital assets (net of accumulated depreciation)	<u>566</u>	<u>566</u>
Total assets	<u>307,809</u>	<u>307,809</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	<u>39,235</u>	<u>39,235</u>
Total Liabilities	<u>39,235</u>	<u>39,235</u>
NET POSITION		
Net Investment in Capital Assets	566	566
Unrestricted	<u>268,008</u>	<u>268,008</u>
Total net position	<u><u>268,574</u></u>	<u><u>268,574</u></u>

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2022

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales-reimbursable programs		-
Total operating revenues	-	-
Operating expenses:		
Cost of sales-reimbursable programs	505,748	505,748
Supplies and materials	42,714	42,714
Depreciation	163	163
Total Operating Expenses	548,625	548,625
Operating income (loss)	(548,625)	(548,625)
Nonoperating revenues (expenses):		
State sources:		
School lunch program	13,881	13,881
Federal sources:		
School lunch program	585,728	585,728
School breakfast program	47,516	47,516
Summer food service program	56,909	56,909
P-EBT Administrative Costs	3,135	3,135
Interest Income	126	126
Total nonoperating revenues (expenses)	707,295	707,295
Income (loss) before contributions & transfers	158,670	158,670
Total net position—beginning	109,904	109,904
Total net position—ending	268,574	268,574

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2022

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers	(538,334)	(538,334)
Net cash provided by (used for) operating activities	(538,334)	(538,334)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	12,280	12,280
Federal Sources	590,614	590,614
Net cash provided by (used for) non-capital financing activities	602,894	602,894
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	126	126
Net cash provided by (used for) investing activities	126	126
Net increase (decrease) in cash and cash equivalents	64,686	64,686
Balances—beginning of year	100,180	100,180
Balances—end of year	164,866	164,866
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(548,625)	(548,625)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	163	163
Increase (decrease) in accounts payable	10,128	10,128
Total adjustments	10,291	10,291
Net cash provided by (used for) operating activities	(538,334)	(538,334)

LONG-TERM DEBT

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2022

	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	82,301	-	82,301	82,301	-
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance					
Total	-	-	-	-	-

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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

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

	Restated 2013	2014	2015	2016	2017	2018	Restated 2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 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	\$ 5,179,118
Restricted	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	19,822,655
Unrestricted	(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)	(4,524,367)
Total governmental activities net assets/position	\$ 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	\$ 20,477,406
Business-type activities										
Net investment in capital assets	\$ 21,719	\$ 17,514	\$ 13,382	\$ 9,321	\$ 6,292	\$ 4,297	\$ 1,055	\$ 892	\$ 729	\$ 566
Restricted										
Unrestricted	32,370	47,235	58,879	87,950	116,594	46,199	65,730	72,049	109,175	268,008
Total business-type activities net assets/position	\$ 54,089	\$ 64,749	\$ 72,261	\$ 97,271	\$ 122,886	\$ 50,496	\$ 66,785	\$ 72,941	\$ 109,904	\$ 268,574
District-wide										
Net investment in capital assets	\$ 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	\$ 5,179,684
Restricted	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	19,822,655
Unrestricted	(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)	(4,256,359)
Total district net assets/position	\$ 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	\$ 20,745,980

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 4,534,248
Special education	2,304,755	2,975,019	3,177,747	3,392,487	2,571,285	2,467,880	3,677,370	3,731,385	4,119,756	3,631,577
Other special education	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	725,954
Other instruction	41,975	40,468	55,423	55,925	65,993	66,700	64,507	54,718	11,934	42,139
Support Services:										
Tuition	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	12,369,184
Student & instruction related services	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	2,959,837
School administrative services	720,155	711,639	892,615	936,880	1,087,819	1,049,923	1,128,536	1,178,699	1,078,110	530,860
General administrative services	619,650	650,907	738,929	631,519	580,381	558,201	522,724	583,289	683,816	726,039
Central Administration	545,108	608,662	740,156	799,532	698,744	632,288	781,745	743,736	725,682	864,488
Plant operations and maintenance	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	1,894,790
Pupil transportation	218,119	365,833	394,459	515,194	608,507	580,740	677,407	514,702	673,390	835,336
Unallocated Benefits	1,008,799	1,267,932	1,488,287	1,831,028	2,548,761	4,161,236	3,297,807	3,612,301	3,880,930	5,615,519
Allocated Benefits						79,739	43,387	83,738	25,000	26,620
Special Schools	21,000	21,000	21,000	18,118	22,000					
Charter Schools	12,164				6,509	7,811	27,563	28,445	26,197	10,886
Interest on long-term debt	27,540	21,128	15,561	9,883	5,642	1,725				
Unallocated depreciation	412,071	322,405	245,381	249,241	238,089	215,271	190,272	184,210	311,661	222,404
Amortization & Capital Lease Obligations	2,333	2,333	2,333	2,333	2,333	2,335				
Capital Outlay - nondepreciable	12,109	5,480		565,265	39,647	36,647	11,409	164,642	280,593	105,434
Total governmental activities expenses	22,977,913	23,354,552	25,937,547	28,088,439	30,244,991	34,682,717	32,308,944	34,628,996	35,060,959	35,095,315
Business-type activities:										
Food service	368,995	389,471	329,670	296,625	296,053	380,243	298,565	332,314	344,613	548,625
Total business-type activities expense	368,995	389,471	329,670	296,625	296,053	380,243	298,565	332,314	344,613	548,625
Total district expenses	\$ 23,346,908	\$ 23,744,023	\$ 26,267,217	\$ 28,385,064	\$ 30,541,044	\$ 35,062,960	\$ 32,607,509	\$ 34,961,310	\$ 35,405,572	\$ 35,643,940
Program Revenues										
Governmental activities:										
Charges for services:										
Student & instruction related services				1,802,348	1,507,392	1,804,319	1,737,395	1,645,514	9,329	44,333
Operating grants and contributions	1,555,356	1,733,921	1,571,386	1,802,348	1,507,392	1,804,319	1,737,395	1,645,514	2,667,605	2,691,097
Total governmental activities program revenues	1,555,356	1,733,921	1,571,386	1,802,348	1,507,392	1,804,319	1,737,395	1,645,514	2,676,934	2,735,430

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charges for services										
Food service	32,968	31,041	10,005	20,278	14,336	24,080	25,736	15,921		
Operating grants and contributions	333,015	362,183	317,090	297,822	304,779	283,701	290,314	322,485	381,493	707,169
Total business-type activities program revenues	365,983	393,224	327,095	318,100	319,115	307,781	316,050	338,406	381,493	707,169
Total district program revenues	\$ 1,921,339	\$ 2,127,145	\$ 1,898,481	\$ 2,120,448	\$ 1,826,507	\$ 2,112,100	\$ 2,053,445	\$ 1,983,920	\$ 3,058,427	\$ 3,442,599
Net (Expense)/Revenue										
Governmental activities	\$ (21,422,557)	\$ (21,620,631)	\$ (24,366,161)	\$ (26,286,091)	\$ (28,737,599)	\$ (32,878,398)	\$ (30,571,549)	\$ (32,983,482)	\$ (32,384,025)	\$ (32,359,885)
Business-type activities	(3,012,000)	3,753	(2,575)	21,475	23,062	(72,462)	17,485	6,092	36,880	158,544
Total district-wide net expense	\$ (21,425,569)	\$ (21,616,878)	\$ (24,368,736)	\$ (26,264,616)	\$ (28,714,537)	\$ (32,950,860)	\$ (30,554,064)	\$ (32,977,390)	\$ (32,347,145)	\$ (32,201,341)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 16,213,902
Taxes levied for debt service	273,133	272,945	84,948	80,924	81,757	82,300	82,300			
Unrestricted grants and contributions	8,744,802	8,861,509	10,658,316	11,429,835	12,933,997	15,305,023	17,368,830	19,473,980	20,688,100	25,282,968
Tuition from Summer School		13,050	10,530	11,040	7,400					
Investment earnings	5,602	3,457	2,955	3,250	3,654	3,792	5,298	7,482	12,444	20,412
Miscellaneous income	32,087	86,618	354,499	32,403	27,596	60,610	46,708	23,590	126,604	35,531
State Aid- Restricted for Debt Service	46,770	46,342								647,739
State Aid - Capital Outlay Facilities Grant			213,958	(3,476)	(2,500)					
Transfers	(5,311)	(4,799)	(10,044)							
Federal and State Aid - Capital outlay	12,109	5,480	8,954	15,018	39,647	36,647	19,705	94,688	415,885	
Total governmental activities	21,689,002	22,469,046	24,772,249	25,383,356	27,931,050	31,678,094	33,712,563	35,801,552	37,456,935	42,200,552
Business-type activities:										
Investment earnings	15	49	43	59	53	72	50	64	83	126
Miscellaneous Income		2,059								
Transfers	5,311	4,799	10,044	3,476	2,500	72	50	64	83	126
Total business-type activities	5,326	6,907	10,087	3,535	2,553	72	50	64	83	126
Total district-wide	\$ 21,694,328	\$ 22,475,953	\$ 24,782,336	\$ 25,386,891	\$ 27,933,603	\$ 31,678,166	\$ 33,712,613	\$ 35,801,616	\$ 37,457,018	\$ 42,200,678
Change in Net Assets/Position										
Governmental activities	\$ 266,445	\$ 848,415	\$ 406,088	\$ (902,735)	\$ (806,549)	\$ (1,200,304)	\$ 3,141,014	\$ 2,818,070	\$ 5,072,910	\$ 9,840,667
Business-type activities	2,314	10,660	7,512	25,010	25,615	(72,390)	17,535	6,156	36,963	158,670
Total district	\$ 268,759	\$ 859,075	\$ 413,600	\$ (877,725)	\$ (780,934)	\$ (1,272,694)	\$ 3,158,549	\$ 2,824,226	\$ 5,109,873	\$ 9,999,337

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Reserved										
Unreserved										
Restricted	1,361,306	1,960,447	972,239	1,074,007	528,374	389,335	3,216,279	5,312,995	10,115,794	18,679,142
Committed										
Assigned	362,875	606,727	700,997	525,011	916,431	293,481	891,837	700,201	478,675	1,061,212
Unassigned	(67,833)	(149,277)	(93,221)	(85,695)	(40,308)	(182,410)	(469,144)	(444,820)	(39,865)	(182,935)
Total general fund	\$ 1,656,348	\$ 2,417,897	\$ 1,580,015	\$ 1,513,323	\$ 1,404,497	\$ 500,406	\$ 3,638,972	\$ 5,568,376	\$ 10,554,604	\$ 19,557,419
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund									15,898	20,080
Assigned, reported in:										
Capital projects fund			757,305	241,279	241,279	241,279	241,279	241,279	241,279	241,279
Debt service fund	5	3	1	1	1	1	82,301	82,301	82,301	82,301
Total all other governmental funds	\$ 5	\$ 3	\$ 757,306	\$ 241,279	\$ 241,280	\$ 241,280	\$ 323,580	\$ 323,580	\$ 339,478	\$ 102,381

Source: CAFR Schedule B-1

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax levy	\$ 12,852,943	\$ 13,457,389	\$ 13,533,081	\$ 13,895,286	\$ 14,921,256	\$ 16,272,022	\$ 16,272,022	\$ 16,201,812	\$ 16,213,902	\$ 16,213,902
Tuition from Summer School		13,050	10,530	11,040	7,400					
Interest earnings	5,602	3,457	2,955	3,250	3,654	3,792	5,298	7,482	12,444	20,412
Miscellaneous	32,087	86,618	359,499	32,403	27,596	60,610	46,708	23,590	135,933	84,288
State sources	9,020,976	9,089,121	9,753,053	9,739,476	10,124,972	11,540,812	15,449,272	18,052,737	20,097,501	26,600,638
Federal sources	1,338,061	1,538,131	1,274,579	1,542,819	1,253,470	1,497,902	1,450,425	1,339,138	2,273,912	2,595,145
Total revenue	23,249,669	24,207,766	24,933,697	25,224,274	26,338,348	29,375,138	33,223,725	35,624,759	38,733,692	45,514,385
Expenditures										
Instruction	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	4,291,774
Regular instruction	2,035,331	2,656,458	2,596,871	2,676,623	1,561,466	1,588,664	2,925,703	3,016,973	3,486,193	3,508,978
Special education instruction	658,033	801,680	630,001	715,998	879,562	1,110,860	778,542	976,700	728,360	676,661
Other special instruction	34,064	33,203	41,045	37,565	40,531	43,469	45,321	40,214	8,737	39,554
Support Services:										
Instruction	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	12,369,184
Attendance and social work services	142,313	201,270	192,213	169,520	156,790	174,522	189,293	179,949	195,368	213,975
Health Services	218,213	216,225	231,111	225,850	198,923	241,912	287,874	309,610	334,233	429,199
Student & instruction related services	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	2,407,678
General administrative services	636,641	641,438	734,970	528,710	430,584	433,647	424,566	488,322	552,999	513,536
School Administrative services	494,878	520,984	514,540	616,220	658,583	675,628	771,419	831,829	771,493	669,325
Central administrative services	441,037	492,169	530,862	545,883	446,157	456,642	549,204	536,400	522,421	807,853
Plant operations and maintenance	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	1,839,421
Pupil transportation	217,134	364,070	303,807	418,965	491,627	486,013	596,206	481,814	615,392	811,606
Allocated employee benefits						79,739	43,387	83,738	25,000	26,620
Unallocated employee benefits	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	3,045,683
TPAF Pension / Social Security	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	4,438,995
Summer School Instruction	21,000	21,000	21,000	18,118	22,000					
Charter Schools	12,164				6,509	7,811	27,563	28,445	26,197	10,886
Capital outlay	12,109	5,480	824,665	565,265	39,647	36,647	19,705	1,033,382	601,818	647,739
Debt service:										
Principal	296,478	295,300	70,000	70,000	75,000	80,000				
Interest and other charges	38,273	23,989	14,950	10,925	6,756	2,300				
Total expenditures	23,206,365	23,441,420	25,126,947	25,837,738	26,444,673	30,279,229	30,002,859	33,695,355	33,749,735	36,748,667
Excess (Deficiency) of revenues over (under) expenditures	43,304	766,346	(193,250)	(613,464)	(106,325)	(904,091)	3,220,866	1,929,404	4,983,957	8,765,718
Other Financing sources (uses)										
Capital leases (non-budgeted)			124,358	34,221						637,968
Transfers in			1,234,700	(3,476)	(2,500)					(637,968)
Transfers out	(5,311)	(4,799)	(1,244,744)	(3,476)						
Total other financing sources (uses)	(5,311)	(4,799)	114,314	30,745	(2,500)					
Net change in fund balances	\$ 37,993	\$ 761,547	\$ (78,936)	\$ (582,719)	\$ (108,825)	\$ (904,091)	\$ 3,220,866	\$ 1,929,404	\$ 4,983,957	\$ 8,765,718
Debt service as a percentage of noncapital expenditures	1.4%	1.4%	0.3%	0.3%	0.3%	0.3%	0.0%	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		
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
2022	20,412					35,531	55,943

Source: District Records

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

Year Ended Dec. 31,	Residential				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	
	Vacant Land	Residential	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												
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	\$ 186,055,350	\$ 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%												
2021	\$ 9,391,400	\$ 895,325,600	\$ 230,908,500	\$ 101,372,700	\$ 210,294,100	\$ 1,447,292,300	\$ -	\$ 1,554,263	\$ 1,448,846,563	1.119	\$ 1,467,490,215	98.73%												

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			
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
2021	1.119	0.000	1.119	1.108	0.252	2.479

Source: District Records and Municipal Tax Collector

- Note:** NJS 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 of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	\$ -
2022	\$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			
2013	590,300	-	4,524	-	-	594,824	11.98%	\$ 71,286
2014	295,000	-	-	-	-	295,000	25.05%	\$ 73,883
2015	225,000	-	106,866	-	-	331,866	23.30%	\$ 77,323
2016	155,000	-	96,911	-	-	251,911	31.30%	\$ 78,836
2017	80,000	-	42,547	-	-	122,547	66.12%	\$ 81,024
2018	-	-	6,409	-	-	6,409	1329.24%	\$ 85,191
2019	-	-	-	-	-	-	0.00%	\$ 88,241
2020	-	-	-	-	-	-	0.00%	\$ 91,972
2021	-	-	-	-	-	-	0.00%	Not Available
2022	-	-	-	-	-	-	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 of Property ^a	Per Capita ^b
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
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%	\$ -
2022	\$ -	-	-	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, 2022			
Net overlapping debt of School District:			
Borough of Fairview	100.000%	\$ 24,027,000	
County of Bergen - City's Share	0.869%	\$ 7,830,924	
Bergen County Utility Authority-City's Share	2.384%	\$ 2,704,438	
Subtotal, overlapping debt			\$ 34,562,362
Total direct and overlapping debt			\$ 34,562,362

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 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	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	27,893,304
Total net debt applicable to limit	225,000	155,000	80,000	-	-	-	-	-	-	-
Legal debt margin	\$ 23,335,268	\$ 23,382,793	\$ 22,372,548	\$ 22,007,207	\$ 23,477,324	\$ 24,388,931	\$ 25,186,201	\$ 26,584,504	\$ 27,313,119	\$ 27,893,304
Total net debt applicable to the limit as a percentage of debt limit	0.95%	0.66%	0.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Equalized valuation basis	
2021	\$ 1,467,490,215
2020	\$ 1,400,166,330
2019	\$ 1,389,164,068
[A]	\$ 2,789,330,398

Average equalized valuation of taxable property	
[A/3]	\$ 929,776,799

Debt limit (3% of average equalization value)	
[B]	27,893,304 a
Net bonded school debt	
[C]	-
Legal debt margin	
[B-C]	\$ 27,893,304

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		Unemployment Rate ^d
			Personal Income ^c	Unemployment Rate ^d	
2013	14,137	\$ 1,007,770,182	\$ 71,286	5.00%	
2014	14,257	\$ 1,053,349,931	\$ 73,883	5.40%	
2015	14,268	\$ 1,103,244,564	\$ 77,323	4.70%	
2016	14,257	\$ 1,123,964,852	\$ 78,836	4.00%	
2017	14,290	\$ 1,157,832,960	\$ 81,024	3.90%	
2018	14,247	\$ 1,213,716,177	\$ 85,191	3.00%	
2019	14,194	\$ 1,252,492,754	\$ 88,241	2.70%	
2020	14,124	\$ 1,299,012,528	\$ 91,972	9.40%	
2021	\$ 14,924	Not Available	Not Available	5.80%	
2022	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

Exhibit J-15

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

	2022		2013		
Employer	Employees	Rank (Optional)	Percentage of Total Employment	Rank (Optional)	Percentage of Total Employment

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

Source: Borough of Fairview

** Data was only provided for years noted

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

<u>Function/Program</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Regular	60	61	69	69	69	77	78	78	88	96
Special education	23	24	27	27	30	27	24	27	22	27
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	13	13	13	14	14	14	14	14	34	39
General administrative services	5	5	5	5	5	6	5	5	8	10
School administrative services	6	6	6	7	8	7	8	5	7	9
Business administrative services	5	5	5	5	5	5	5	7	4	4
Plant operations and maintenance	8	6	7	7	7	5	7	10	7	9
Pupil transportation	-	3	5	5	5	5	5	4	3	3
Total	120	123	137	139	143	146	146	150	173	197

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				
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%
2022	1,533	36,100,928	23,549	8.84%	121	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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<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	55,080
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	573	602	592	616	670	664	700	598	595	605
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	206	213	220	196	216	229	252	238	257	244
Number 3 School										
Square Feet	23,372	23,372	23,372	23,372	23,372	23,372	23,372	23,372	30,568	30,570
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	426	455	484	489	506	536	539	474	680	436

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)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Lincoln School	N/A	86,654	70,788	116,528	97,513	71,803	72,609	107,769	103,766	108,189	105,337
Annex	N/A	23,231	7,224	24,725	3,697	4,272	22,623	4,579	14,135	9,461	6,593
School No. 3	N/A	29,509	58,812	28,964	20,049	10,464	9,855	19,524	7,826	9,500	18,102
Total School Facilities		139,394	136,824	170,217	121,259	86,539	105,087	131,872	125,727	127,150	130,032
Other Facilities											
Grand Total		\$ 139,394	\$ 136,824	\$ 170,217	\$ 121,259	\$ 86,539	\$ 105,087	\$ 131,872	\$ 125,727	\$ 127,150	\$ 130,032

**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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**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
Borough of Fairview Board of Education
County of Bergen, 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 Board of Education of the Borough of Fairview Board of Education, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated February 3, 2023, which was qualified for not complying with GASB Statement No. 87.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Borough of 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 Borough of Fairview Board of Education’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of 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.

We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of 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 Board of Education of the Fairview Borough School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated February 3, 2023.

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

February 3, 2023





WIELKOTZ & COMPANY LLC
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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Borough of Fairview School District in the County of Bergen, 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 Borough of Fairview Board of Education’s major federal and state programs for the year ended June 30, 2022. The Borough of 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.

In our opinion, the Borough of 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, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Our



responsibilities under those standards and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Borough of Fairview Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.



- Obtain an understanding of Borough of Fairview Board of Education’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Borough of Fairview Board of Education’s internal control over compliance. Accordingly, no such opinion is expressed.

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

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 N.J. OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003. 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 subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on these responses.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses,



Honorable President and
Members of the Board of Education

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as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Steven D. Wielkötz

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

Wielkötz & Company, LLC

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

February 3, 2023



FAIRVIEW
BOARD OF EDUCATION
Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2022	
												(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	22INJ304N1099	N/A	7/1/21-6/30/22	\$ 585,728			531,042	585,728			(54,686)	
National School Lunch Program SSO	10.555	21INJ304N1099	N/A	7/1/20-6/30/21	190,721	(18,364)		18,364					
National Breakfast Program SSO	10.553	22INJ304N1099	N/A	7/1/21-6/30/22	47,516			44,090	47,516			(3,426)	
National Breakfast Program SSO	10.553	21INJ304N1099	N/A	7/1/20-6/30/21	119,907	(11,528)		11,528					
Summer Food Service Program	10.559	21INJ304N1099	N/A	7/1/21-6/30/22	56,909			55,359	56,909			(1,550)	
Emergency Operational Cost Program -School	10.555	21INJ304N1099	N/A	7/1/20-6/30/21	2,944	(2,944)		2,944					
P-EBT Administrative Cost	10.649	2022225900941	N/A	7/1/21-6/30/22	3,135			3,135	3,135				
P-EBT Administrative Cost	10.649	2021225900941	N/A	7/1/20-6/30/21	3,063	(3,063)		3,063					
Total U.S. Department of Agriculture					669,525	(35,899)		669,525	693,288			(59,662)	
U.S. Department of Education													
General Fund:													
Medical Administrative Claiming (MAC	93.778	200SNJ5MAP	N/A	7/1/21-6/30/22	7,631			7,631	7,631				
Medical Assistance Program (SEMI)	93.778	200SNJ5MAP	N/A	7/1/21-6/30/22	62,686			62,686	62,686				
Total General Fund					70,317			70,317	70,317				
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
Title I Part A, Improving Basic Programs	84.010	S010A210030	ESEA-1470-22	7/1/21-9/30/22	803,424	(270,737)	(270,737)	726,586	932,600			(476,751)	
Title I Part A, Improving Basic Programs	84.010	S010A200030	ESEA-1470-21	7/1/20-9/30/21	845,829	(26,832)	(26,832)	26,832		588			588
Title I, Part A, Reallocation	84.010	S010A200030	ESEA-1470-21	7/1/20-9/30/21	42,571	(297,569)	(297,569)	753,418	932,600	588		(476,751)	588
I.D.E.A. Part B	84.027A	H027A210100	IDEA-1470-22	7/1/21-9/30/22	459,822	(101,079)	(101,079)	386,888	390,830			(105,021)	
I.D.E.A. Part B	84.027A	H027A200100	IDEA-1470-21	7/1/20-9/30/21	474,824	(101,079)	(101,079)	101,079					
I.D.E.A. Part B Preschool	84.173A	H173A210114	IDEA-1470-22	7/1/21-9/30/22	10,638			10,638	10,638				
ARP - I.D.E.A. Part B	84.027X	H027X210100	IDEA-1470-22	7/1/21-9/30/22	101,052			5,664	12,044			(6,380)	
ARP - I.D.E.A. Part B Preschool	84.173X	H173X210114	IDEA-1470-22	7/1/21-9/30/22	8,580			403,190	413,512			(111,401)	
Title II Part A	84.367A	S367A210029	ESEA-1470-22	7/1/21-9/30/22	87,960	(72,314)	(72,314)	138,231	83,021			(17,104)	
Title II Part A	84.367A	S367A200029	ESEA-1470-21	7/1/20-9/30/21	109,300	(72,314)	(72,314)	138,231	83,021			(17,104)	
Title III	84.365A	S365A210030	ESEA-1470-22	7/1/21-9/30/22	59,740	(15,607)	(15,607)	41,587	69,780			(43,800)	
Title III	84.365A	S365A200030	ESEA-1470-21	7/1/20-9/30/21	57,117	(15,607)	(15,607)	15,607		1,179		(2,147)	
Title III, Immigrant	84.365A	S365A210030	ESEA-1470-22	7/1/21-9/30/22	21,555	(3,326)	(3,326)	3,326					
Title III, Immigrant	84.365A	S365A200030	ESEA-1470-21	7/1/20-9/30/21	20,461	(3,326)	(3,326)	41,587	69,780	1,179		(45,947)	
Title IV	84.424	S424A210031	ESEA-1470-22	7/1/21-9/30/22	59,791	(20,343)	(20,343)	22,353	75,613	4,387		(69,216)	
Title IV	84.424	S424A200031	ESEA-1470-21	7/1/20-9/30/21	57,793	(20,343)	(20,343)	22,353	75,613	4,387		(69,216)	

FAIRVIEW
BOARD OF EDUCATION
Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor
Coronavirus Response and Relief Supplemental Act														
CARES ACT 2020/ESSER	84.425D	S425D200027		3/13/20-10/15/22	784,832	(16,309)		232,813	243,440			(26,936)		
CRRSA - ESSER II	84.425D	S425D210027		3/13/20-9/30/23	2,684,950			500,153	552,325			(52,172)		
CR Learning Acceleration	84.425D	S425D210027		3/13/20-9/30/23	172,307			21,077	21,077					
CR Mental Health	84.425D	S425D210027		3/13/20-9/30/23	45,000									
American Rescue Plan														
ARP - ESSER	84.425U	S425U210027		3/13/20-9/30/23	6,034,253									
Accelerated Learning Coach and Educator Support	84.425U	S425U210027		3/13/20-9/30/23	246,787									
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027		3/13/20-9/30/23	40,000									
Evidence Based Comprehensive Beyond the School	84.425U	S425U210027		3/13/20-9/30/23	40,000									
NJTSS Mental Health Support Staffing	84.425U	S425U210027		3/13/20-9/30/23	45,000									
ARP - Homeless II	84.425W	215064233E		4/23/21-9/30/23	41,759	(16,309)		754,043	816,842			(79,108)		
Total														
					229,597	25				4,505				4,530
										4,505				4,530
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	188,769	299				923				1,222
														1,222
Passed through the County of Bergen:														
COVID Relief Fund	21.019	S425D200027		3/1/20-12/31/21	2,852,664	(526,223)		2,112,822	2,391,368	11,582		(799,527)		6,340
														6,340
Total Special Revenue Fund														
Total Federal Financial Assistance														
					\$ (562,122)				3,154,973	11,582		(859,189)		6,340

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, 2022

State, Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021			Cash Received	Budgetary Expenditures Pass-through Funds	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2022			Cumulative Total Expenditures	
				Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover Amount					(Accounts Receivable)	Deferred Revenue/Interfund Payable	Due to Grantor		Budgetary Receivable
State Department of Education:															
General Fund:															
Equalization Aid	495-034-5120-078	7/1/21-6/30/22	18,360,180				16,612,829	18,360,180							18,360,180
Transportation Aid	495-034-5120-014	7/1/21-6/30/22	159,545				144,361	159,545							159,545
Special Education Aid	495-034-5120-089	7/1/21-6/30/22	1,748,955				1,582,506	1,748,955							1,748,955
Speech Aid	495-034-5120-084	7/1/21-6/30/22	721,266				682,623	721,266							721,266
NTE/ Homeless Reimbursement	100-029-6060-034	7/1/21-6/30/22	3,379												3,379
Extraordinary Aid	495-034-5120-044	7/1/21-6/30/22	657,465												657,465
Reimursed TPAF Social Security	495-034-5120-044	7/1/21-6/30/22	564,079				564,079	639,070							564,079
On-Behalf TPAF - Post Retirement Medical	495-034-5094-001	7/1/21-6/30/22	639,070				719,360	719,360							719,360
On-Behalf TPAF Pension	495-034-5094-001	7/1/21-6/30/22	719,360				3,036,086	3,036,086							3,036,086
On-Behalf TPAF NCGI Premium	495-034-5094-002	7/1/21-6/30/22	42,835				42,835	42,835							42,835
On-Behalf TPAF - LTDI	495-034-5094-004	7/1/21-6/30/22	1,644				1,644	1,644							1,644
Total General Fund				(564,079)			23,964,032	26,089,785	(692,205)				(1,997,627)		26,046,154
Special Revenue Fund:															
Preschool Education Aid	495-034-5120-086	7/1/21-6/30/22	2,265,615		1,601,009		2,039,053	531,024							531,024
Preschool Education Aid	495-034-5120-086	7/1/20-6/30/21	101,244	543	(543)										101,198
Preschool Expansion Education Aid	495-034-5120-086	7/1/20-6/30/21	2,126,751	1,600,466	(1,600,466)										526,285
Nonpublic Text Chapter 194	100-034-5120-064	7/1/21-6/30/22	20,647			20,647	20,642								20,642
Nonpublic Text Chapter 194	100-034-5120-064	7/1/20-6/30/21	20,404												20,403
Nonpublic Security Grant	100-034-5120-509	7/1/21-6/30/22	60,200			60,200	59,889								59,889
Nonpublic Security Grant	100-034-5120-509	7/1/20-6/30/21	58,450												58,073
Chapter 192 - Compensatory Education	100-034-5120-067	7/1/21-6/30/22	120,395			120,395	108,840								108,840
Chapter 192 - ESL	100-034-5120-067	7/1/21-6/30/22	29,232			29,232	11,145								11,145
Chapter 192 - ESL	100-034-5120-067	7/1/20-6/30/21	24,868												68,364
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/21-6/30/22	21,476			21,476	9,499								16,253
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/20-6/30/21	14,571												11,445
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/21-6/30/22	32,224			32,224	11,943								16,253
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/20-6/30/21	52,374												11,943
Chapter 193 - Corrective Speech	100-034-5120-066	7/1/21-6/30/22	24,180			24,180	14,973								17,086
Chapter 193 - Corrective Speech	100-034-5120-066	7/1/20-6/30/21	20,962												14,973
Non Public Nursing	100-034-5120-070	7/1/21-6/30/22	38,528			38,528	14,448								12,577
Non Public Technology Grant	100-034-5120-373	7/1/21-6/30/22	14,448			14,448									38,528
School Security Grant	100-034-5120-373	7/1/20-6/30/22	75,198												14,400
Total Special Revenue Fund				1,561,097			2,400,383	820,883		145,476			(226,502)		1,723,521
Enterprise Fund:															
National School Lunch Program SSO (State Share)	100-010-3350-023	7/1/21-6/30/22	13,881			12,493		13,881							13,881
National School Lunch Program SSO (State Share)	100-010-3350-023	7/1/20-6/30/21	9,366	(2,202)		2,202									9,366
Total Enterprise Fund				(2,202)			14,695	13,881							9,366
Total State Financial Assistance				994,816			26,379,110	26,924,549	(733,505)	145,476			(2,210,308)		27,779,041
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf TPAF - Post Retirement Medical	495-034-5094-001		719,360					719,360							719,360
On-Behalf TPAF Pension	495-034-5094-002		3,036,086					3,036,086							3,036,086
On-Behalf TPAF NCGI Premium	495-034-5094-004		42,835					42,835							42,835
On-Behalf TPAF - LTDI	495-034-5094-004		1,644					1,644							1,644
Total State Financial Assistance for Major Program Determination								3,799,925							3,799,925
								23,124,624							23,124,624

FAIRVIEW
BOARD OF EDUCATION
Schedule of Expenditures of State Awards and Other Local Awards
Year ended June 30, 2022

State/Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021				Balance at June 30, 2022				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	Budgetary Receivable	Cumulative Total Expenditures		
Special Revenue Fund:																			
LOWES Grant	N/A	7/1/16-6/30/17	5,000	160															
Visions Credit Union	N/A	7/1/16-6/30/17	500	108															
BCUA - FAC Grant	N/A	7/1/19-6/30/20	4,000	4,000															
NSBSafety Grant	N/A	7/1/21-6/30/22	8,980			8,980													
NSBSafety Grant	N/A	7/1/20-6/30/21	8,033	8,033															
NSBSafety Grant	N/A	7/1/19-6/30/20	7,985	7,985				2,778											
NSBSafety Grant	N/A	7/1/18-6/30/19	5,661	1,646				1,646											
Total Local Sources				21,932			8,980	4,424							26,488			13,671	
Total State and Local Financial Assistance				\$ 1,016,748	145,476		26,388,090	26,928,973					(733,505)	145,476	3,135,526	71,471		(2,210,308)	27,792,712

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 \$(298,731) for the general fund and \$122,161 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	\$70,317	\$25,791,054	\$25,861,371
Special Revenue Fund	2,524,828	809,584	3,334,412
Food Service Fund	<u>693,288</u>	<u>13,881</u>	<u>707,169</u>
Total Awards and Financial Assistance	<u>\$3,288,433</u>	<u>\$26,614,519</u>	<u>\$29,902,952</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, 2022. 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, 2022.

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 \$3,799,925 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>	\$932,600
Title II, Part A: <i>Supporting Effective Instruction</i>	83,021
Title III: <i>English Language Acquisition State Grants</i>	69,780
Title IV: <i>Student Support and Academic Enrichment</i>	<u>75,613</u>
Total	<u>\$1,161,014</u>

**FAIRVIEW BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: modified

Internal control over financial reporting:

1. Material weakness(es) identified? _____ yes X no

2. Significant deficiencies identified that are not considered to be material weaknesses? X yes _____ none reported

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

Federal Awards

Internal Control over major programs:

1. Material weakness(es) identified? _____ yes X no

2. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of the Uniform Guidance? _____ yes X no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D/84.425U</u> (A)	S425D210027/ <u>S425U210027</u>	CARES-ESSER I/ CRRSA-ESSER II/ CR Learning Acceleration/CR Mental Health/ <u>APR-ESSER</u> I.D.E.A. Cluster: I.D.E.A. Part B - Basic Regular I.D.E.A. Part B - Preschool ARP - I.D.E.A. Part B <u>ARP - I.D.E.A. Part B - Preschool</u>
84.027A/84.173A/ <u>84.027X/84.173X</u> (B)	H027A210100/ H173A210114/ H027X210100/ <u>H173X210114/</u>	I.D.E.A. Cluster: I.D.E.A. Part B - Basic Regular I.D.E.A. Part B - Preschool ARP - I.D.E.A. Part B <u>ARP - I.D.E.A. Part B - Preschool</u>

Note: (A) - Tested as Major Type A Program.
 Note: (B) - Tested as Major Type B Program.

**FAIRVIEW BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(continued)**

*Section I - Summary of Auditor's Results
(continued)*

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no

2. Significant deficiencies identified that are not considered to be material weaknesses? X yes none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? X yes no

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-78/ 495-034-5120-89/ <u>495-034-5120-84</u> (A)	<u>State Aid Public Cluster: Equalization Aid/Special Education Categorical Aid/Security Aid</u>
<u>495-034-5120-044</u> (B)	<u>Extraordinary Aid</u>

- Note: (A) Tested as Major Type A Program.
(B) Tested as Major Type B Program.

**BOROUGH OF FAIRVIEW SCHOOL DISTRICT
SCHEDULE OF FINANCIAL, STATE AND FEDERAL FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

Finding 2022-001

The District did not comply with the requirements of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*.

Criteria or specific requirement:

GASB Statement No. 87 requires the recognition of certain intangible assets and liabilities for leases that were previously classified as operating leases be recognized as inflows and/or outflows of resources based on the payment provisions of the contract.

Condition:

The District did not recognize lease-related assets and liabilities in accordance with current account standards for the fiscal year ended June 30, 2022.

Context:

GASB Statement No. 87 is required to be implemented for fiscal year ending June 30, 2022. The statement requires various disclosures to be made in the Notes to the Financial Statements. The District has not prepared the necessary calculations and disclosures.

Effect:

The District's financial statements do not include lease related right-to use assets or liabilities and do not include the required note disclosures and required supplementary information as defined by GASB No. 87. The effects on the financial statements, although not reasonably determinable, are presumed to be material.

Cause:

GASB No. 87 went into effect at the beginning of the fiscal year. Due to the complexities of implementation, the District was unable to perform the necessary calculations and disclosures as of the date of this report.

Recommendation:

Management, or a third-party financial consultant hired by management, should assess leases maintained by the District, calculate the appropriate right-to use assets and liabilities and prepare the required disclosures in accordance with GASB Statement No. 87.

Views of responsible official and planned corrective actions:

Management is aware of the compliance requirements of GASB No. 87 and is actively working on resolving this issue.

**BOROUGH OF FAIRVIEW BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

FEDERAL AWARDS

None

STATE AWARDS

Finding 2022-002

Information on the state program:

State Aid – Public Cluster, NJCFS Numbers 495-034-5120-(079/089/084) Grant Period 7/1/21-6/30/22.

Criteria or specific requirement:

In accordance with N.J.S.A. 18A:17-10, all school districts must submit the Annual Report to the board and the executive county superintendent by August 1st.

Condition:

The district did not submit the Annual Report to the executive county superintendent by August 1st.

Questioned Costs:

None

Context:

The District submitted the Annual Report to the executive county superintendent; however, submission was not done prior to the August 1st deadline.

Effect:

The district is not in compliance with N.J.S.A. 18A:17-10.

Cause:

The district did not submit the Annual Report to the executive county superintendent by August 1st.

Recommendation:

The Board Secretary should ensure the submission of the Annual Report to the executive county superintendent is complete prior to August 1st in accordance with N.J.S.A. 18A:17-10.

Management's response:

The Board did not have a meeting in July. The Annual Report was submitted to the Board on August 8th and submitted to the executive county superintendent on August 12th. In the future, the Annual Report will be submitted to the executive county superintendent prior to August 1st.

**BOROUGH OF FAIRVIEW SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs (Cont.)

Finding 2022-003

Information on the state program:

Extraordinary Special Education Aid, NJCFS Number 495-034-5120-044, Grant Period 7/1/21-6/30/22.

Criteria or specific requirement:

The Extraordinary Aid (EXAID) application process requires that districts complete one on-line form for each child eligible for aid. EXAID is available for partial reimbursement of expenditures incurred for individual classified pupils attending a school district who are placed in one of three categories and whose Individualized Education Plan (IEP) requires the provision of at least one intensive service.

Condition:

There were instances in which the individual student applications contained errors and/or omissions of information that should have been included in the district prepared EXAID work papers. Incorrect amounts were used for related services, additional support costs and deductions on work papers.

Questioned Costs:

Unknown

Context:

There were instances in which information entered into the individual student applications did not agree to the supporting documentation used to prepare the EXAID work papers.

Effect:

The district is not in compliance with the requirements of the Extraordinary Special Education Aid.

Cause:

The information entered into the on-line form for some of the children eligible for aid did not agree to the supporting documentation used to prepare the EXAID work papers.

Recommendation:

The district should review the individual student on-line forms prior to final submission of the EXAID application to ensure the forms are complete and the information agrees to the supporting documentation for the work papers prepared.

Management's response:

Prior to final submission of the EXAID application, the on-line forms will be reviewed for completeness and accuracy to ensure the information entered agrees to the district workpapers and supporting documentation.

**FAIRVIEW BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Status of Prior Year Findings

Condition:

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

Current Status:

Current year amounts were verified to supporting documents.