

**FAIRVIEW BOARD OF EDUCATION
COUNTY OF BERGEN, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

FAIRVIEW BOARD OF EDUCATION

FAIRVIEW BOARD OF EDUCATION
Fairview, New Jersey

Annual Comprehensive Financial Report
Year Ended June 30, 2023

Annual Comprehensive Financial Report

of the

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

Year Ended June 30, 2023

Prepared by

**John Bussanich
Business Administrator**

OUTLINE OF ACFR

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INTRODUCTORY SECTION

FAIRVIEW PUBLIC SCHOOLS

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130 Hamilton Avenue
Fairview, NJ 07022

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

November 22, 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, 2023 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
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
2023-2024	1551	.71

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 2013-2014 school year to the present, the overall student population has increased by 17.92% or 278 additional elementary school students. The overall district enrollment is expected to continue to increase over the next few years.

3. Major Initiatives: During the 2022-2023 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 2022-2023 school year. The district is currently reviewing the results of the NJSLA test administered during the 2022-2023 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 PSD students in the Fairview Public School District. The Pre-K students in the district currently attend classes at the GBCA Head Start building for the 2023-2024 school year located at 263 Lafayette Avenue in Cliffside Park, NJ. The district is currently partnering with the GBCA Head Start program through the preschool expansion grant. 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 the 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, 2023.

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, Wielkottz, Cerullo & Cuva, P.A. as our independent accounting firm. The audit is performed and designed to

meet the requirements of Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards (Uniform Guidance) and New Jersey States Office of Management and Budget Circular 15-08. The report on basic financial statements and schedules is included in the financial section of the report. The auditors' report specifically related to the single audit is included in that section of this report.

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

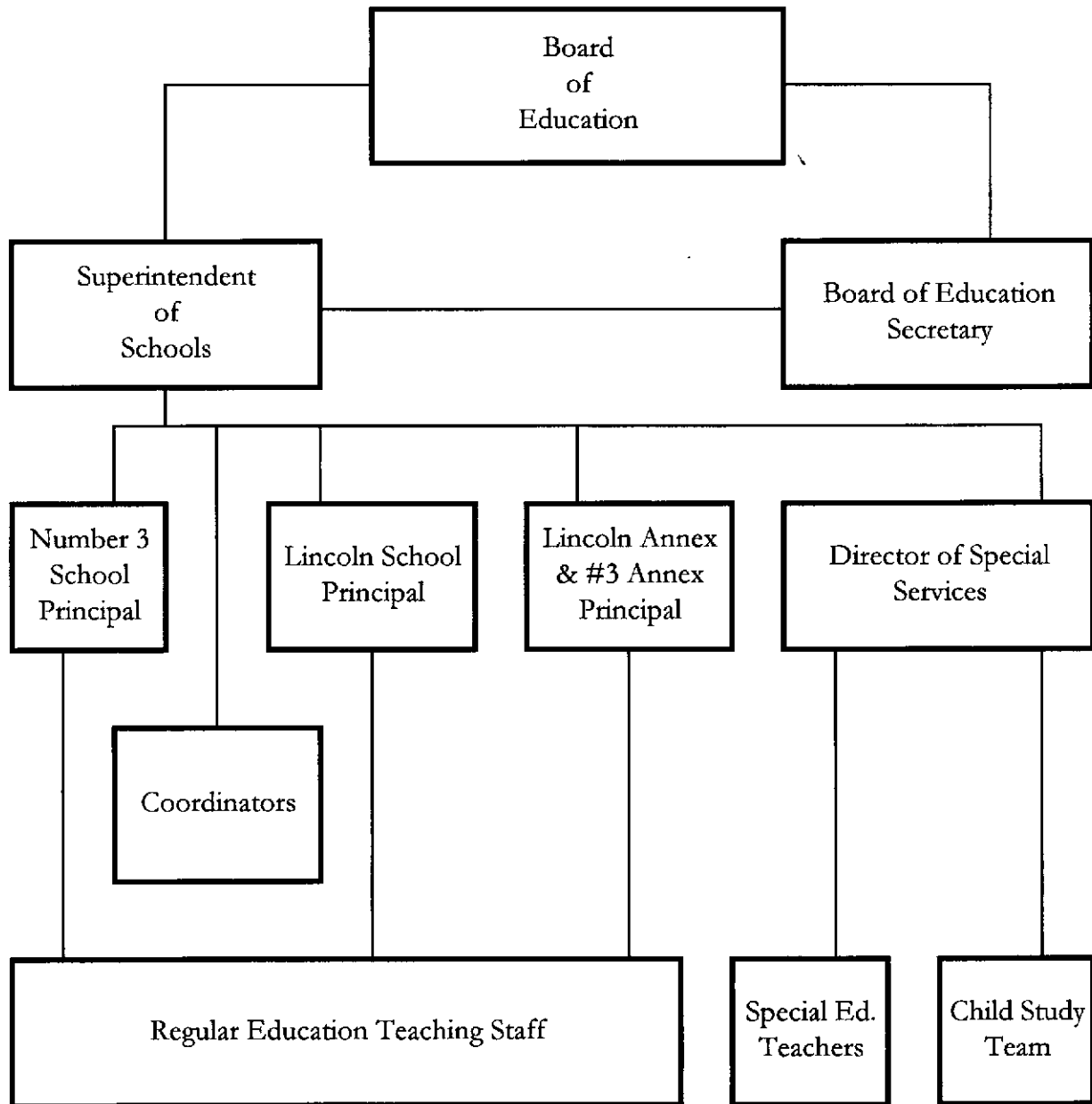
Respectfully submitted,

John M. Bussanich

Mr. John M. Bussanich
Business Administrator

BOUROUGH OF FAIRVIEW BOARD OF EDUCATION

Fairview, New Jersey



FAIRVIEW BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Diane Testa President	2025
Angelo D'Arminio, Vice President	2025
Tonin Berisha	2026
Hossam Elsamra	2026
Gustavo Gomez	2024
Louis Lynaugh	2024
Francisco Martinez	2025
Kenneth Schmidt	2026
Bryan Yannuzzi	2024

Other Officials

David Sleppin, Ph.D., Superintendent

Matthew Capilli, Assistant Superintendent

John Bussanich, School Business Administrator

Rita Juliano, Board Secretary

FAIRVIEW BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2023

Attorney

Anthony P. Cialone, Esq.
Basile, Birchwale and Pellino, LLP
865 Broad Avenue
Ridgefield, NJ 07657

Architect of Record

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

District Auditor

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

Official Depository

GSL Bank
215 Bergen Blvd
Fairview, NJ 07022

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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

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, 2023, 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, the financial statements 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, 2023, 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 Opinion

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.

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

Honorable President and
Members of the Board of Education
Page 5.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 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. Wielkatz

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

Wielkatz & Company, LLC

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

November 22, 2023



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023. 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

- The assets and deferred outflows of resources of the Fairview Board of Education exceeded its liabilities, and deferred inflows of resources at the close of the fiscal year by \$37,464,214. (Net Position)
- In total, net position increased by \$16,718,234. Net position of the governmental activities increased by \$16,849,737 and net position of business-type activities decreased by \$131,503.
- General revenues accounted for \$50,506,210 in revenue or 93 percent of all governmental and business-type activities revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions accounted for \$3,925,028 or 7 percent of total revenues of \$54,431,238.
- The School District had \$37,118,233 in expenses related to governmental activities; only \$3,462,023 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$50,505,947 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$30,726,227.
- The General Fund fund balance at June 30, 2023 was \$30,623,741, an increase of \$11,066,322 compared to the ending fund balance at June 30, 2022 of \$19,557,419.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$941,301 which represents a decrease of \$873,391 compared to the ending unassigned budgetary fund balance at June 30, 2022 of \$1,814,692. The decrease is primarily due to the state decreasing the maximum fund balance a school district may have from 4% of expenditures in 2022 back to a pre-pandemic maximum of 2% of expenditures.

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

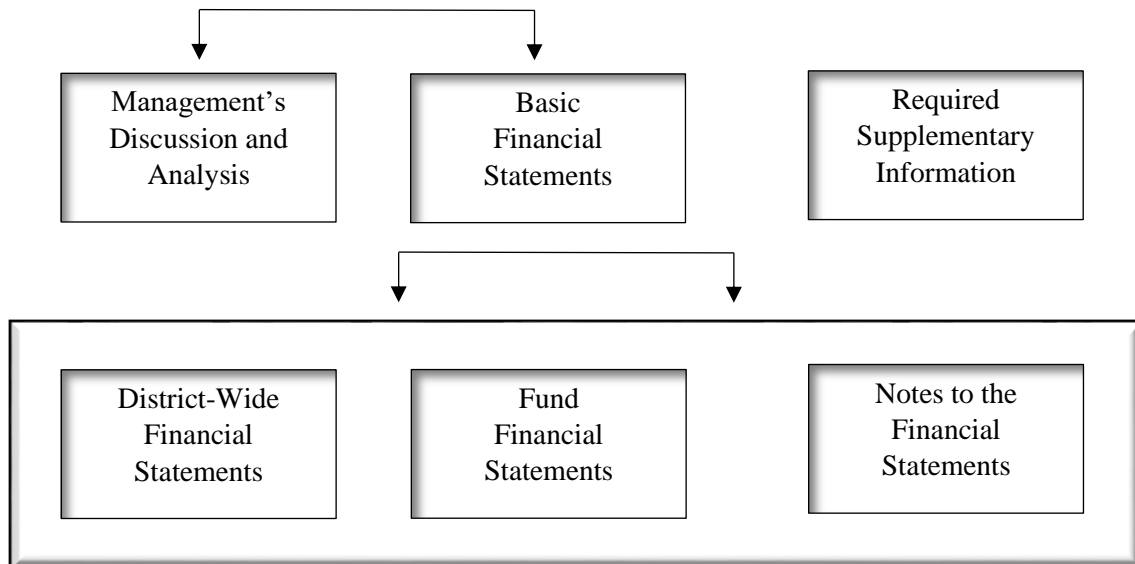
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor’s Report, required supplementary information which includes the management’s discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District’s operations in more detail than the district-wide statements.
- The district governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS, (continued)

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain are detailed below. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as regular and special education and building maintenance	Activities the district operates similar to private businesses: Enterprise fund	Instances in which the district administers resources on behalf of someone else, such as custodial accounts
Required Financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position Statement of Cash Flows	Statements of Fiduciary Net Position Statement of Changes In Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/ Deferred Outflows/ Inflows of Resources/ Liability Information	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be utilized and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term funds do not currently contain capital assets
Type of Inflow/ Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 (district-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*).

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 Enterprise Fund is reported as business activities.

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.

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

USING THIS ANNUAL REPORT, (continued)

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 two categories: Governmental Funds and Proprietary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-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 district-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).

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 considered to be major funds.

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

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

USING THIS ANNUAL REPORT, (continued)

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.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-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, 2023**

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 \$37,464,214 at June 30, 2023 and \$20,745,980 at June 30, 2022. 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 2023 compared to 2022 (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>2023</u>	<u>Restated 2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>Restated 2022</u>
Assets						
Current and Other Assets	34,725,935	23,869,263	140,639	307,243	34,866,574	24,176,506
Capital Assets:						
Land and Construction in Progress	6,164,458	1,320,213			6,164,458	1,320,213
Depreciable Buildings, Improvements and Equipment (net)	4,305,998	3,858,905	31,974	566	4,337,972	3,859,471
Right to Use Leased Assets, Net of Amortization	<u>543,566</u>	<u>719,858</u>			<u>543,566</u>	
Total Assets	<u>45,739,957</u>	<u>29,768,239</u>	<u>172,613</u>	<u>307,809</u>	<u>45,912,570</u>	<u>29,356,190</u>
Deferred Outflows:						
Deferred Outflows of Resources Related to PERS	<u>835,687</u>	<u>764,200</u>			<u>835,687</u>	<u>764,200</u>
Total Deferred Outflows	<u>835,687</u>	<u>764,200</u>			<u>835,687</u>	<u>764,200</u>
Liabilities						
Current Liabilities,	4,332,999	4,486,878	35,542	39,235	4,368,541	4,526,113
Noncurrent Liabilities	<u>4,156,238</u>	<u>2,817,909</u>			<u>4,156,238</u>	<u>2,817,909</u>
Total Liabilities	<u>8,489,237</u>	<u>7,304,787</u>	<u>35,542</u>	<u>39,235</u>	<u>8,524,779</u>	<u>7,344,022</u>
Deferred Inflows:						
Deferred Inflows of Resources						
Related to PERS	<u>759,264</u>	<u>2,024,048</u>			<u>759,264</u>	<u>2,024,048</u>
Total Deferred Inflows	<u>759,264</u>	<u>2,024,048</u>			<u>759,264</u>	<u>2,024,048</u>
Net Position						
Net Investment in Capital						
Assets	11,014,022	5,179,118	31,974	566	11,045,996	5,179,684
Restricted	32,255,510	19,822,655			32,255,510	19,822,655
Unrestricted	<u>(5,942,389)</u>	<u>(4,524,367)</u>	<u>105,097</u>	<u>268,008</u>	<u>(5,837,292)</u>	<u>(4,256,359)</u>
Total Net Position	<u>37,327,143</u>	<u>20,477,406</u>	<u>137,071</u>	<u>268,574</u>	<u>37,464,214</u>	<u>20,745,980</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2023 compared to 2022.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales	33,838	44,333	3,460		37,298	44,333
Operating Grants and						
Contributions	3,428,185	2,691,097	459,545	707,169	3,887,730	3,398,266
General Revenues:						
Taxes:						
Property Taxes	16,213,902	16,213,902			16,213,902	16,213,902
Federal and State Aid not						
Restricted	28,892,661	25,282,968			28,892,661	25,282,968
Federal and State Aid -						
Capital Outlay	5,351,498	647,739			5,351,498	647,739
Miscellaneous Income	6,933	35,531			6,933	35,531
Investment Income	<u>40,953</u>	<u>20,412</u>	<u>263</u>	<u>126</u>	<u>41,216</u>	<u>20,538</u>
Total Revenues and Transfers	<u>53,967,970</u>	<u>44,935,982</u>	<u>463,268</u>	<u>707,295</u>	<u>54,431,238</u>	<u>45,643,277</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Functions/Program Expenses						
Instruction:						
Regular	5,654,807	4,534,248			5,654,807	4,534,248
Special Education	4,014,053	3,631,577			4,014,053	3,631,577
Other Special Instruction	938,789	725,954			938,789	725,954
Other Instruction	44,596	42,139			44,596	42,139
Support Services:						
Tuition	12,536,256	12,369,184			12,536,256	12,369,184
Student & Instruction						
Related Services	3,765,727	2,959,837			3,765,727	2,959,837
General Administrative						
Services	694,776	530,860			694,776	530,860
School Administrative						
Services	849,919	726,039			849,919	726,039
Central Administration and						
Admin. Info. Tech.	928,275	864,488			928,275	864,488
Plant Operations and						
Maintenance	1,688,541	1,894,790			1,688,541	1,894,790
Pupil Transportation	872,813	835,336			872,813	835,336
Unallocated Benefits	4,377,969	5,615,519			4,377,969	5,615,519
Allocated Benefits		26,620			0	26,620
Charter Schools		10,886			0	10,886
Capital Outlay -						
Nondepreciable	147,168	105,434			147,168	105,434
Interest on Long-Term Debt	23,355				23,355	
Unallocated Depreciation	404,897	222,404			404,897	222,404
Capital Lease Obligations and						
Amortization	176,292				176,292	
Food Service			594,771	548,625	594,771	548,625
Total Expenses	<u>37,118,233</u>	<u>35,095,315</u>	<u>594,771</u>	<u>548,625</u>	<u>37,713,004</u>	<u>35,643,940</u>
Increase or (Decrease) in						
Net Position	<u>16,849,737</u>	9,840,667	(131,503)	158,670	<u>16,718,234</u>	<u>9,999,337</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 \$37,713,004. 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 \$37,298, by other governments and organizations who subsidized certain programs with grants and contributions \$3,887,730, unrestricted federal and state aid \$28,892,661, federal and state aid capital outlay \$5,351,498, and by miscellaneous sources \$48,149.

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

- ✓ Food service revenues exceeded expenses by \$131,503.
- ✓ Charges for services provided totaled \$3,460. This amount represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches was \$459,545.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2023, 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 2022</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$16,297,680	29.4%	(\$20,922)	(0.13)%	\$16,318,602
State Source	32,211,371	58.1%	5,610,733	21.09%	26,600,638
Federal Source	<u>6,929,244</u>	<u>12.5%</u>	<u>4,334,099</u>	<u>167.01%</u>	<u>2,595,145</u>
Total	<u>\$55,438,295</u>	<u>100.0%</u>	<u>\$9,923,910</u>	<u>21.80%</u>	<u>\$45,514,385</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	\$9,858,986	22.2%	\$1,342,019	15.76%	\$8,516,967
Undistributed	28,721,419	64.7%	1,137,458	4.12%	27,583,961
Capital Outlay	<u>5,791,463</u>	<u>13.1%</u>	<u>5,143,724</u>	<u>794.10%</u>	<u>647,739</u>
Total	<u>\$44,371,868</u>	<u>100.0%</u>	<u>\$7,623,201</u>	<u>20.74%</u>	<u>\$36,748,667</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023, 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 \$9,739,065 for increases in federal and state grant awards.

General Fund

The general fund actual revenue was \$47,117,916. That amount is \$5,054,574 above the final amended budget of \$42,063,342. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$4,409,031 for TPAF social security reimbursements and on-behalf pension payments, \$513,215 of excess Extraordinary Aid, State Reimbursement for Lead Testing and NTE Homeless Reimbursement and an excess in miscellaneous and federal revenues of \$132,328.

The actual expenditures of the general fund were \$35,558,452, including transfers which is \$9,085,950 less than the final amended budget of \$44,644,402. The variance between the actual expenditures and the final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$4,409,031 and \$4,676,919 of unexpended budgeted funds.

The General Fund had total revenues of \$47,117,916 and total expenditures including transfers of \$35,558,452 with an ending fund balance of \$33,114,510 on the budgetary basis.

Special Revenue Fund

The special revenue fund actual revenue was \$10,789,917 including transfers. That amount is above the original budget estimate of \$4,546,810 and below the final amended budget of \$14,285,875. The \$9,739,065 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 \$3,495,958 variance between the final amended budget and the June 30, 2023 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 \$10,999,707, which is above the original budget of \$4,756,705 and below the final amended budget of \$14,495,770. The \$9,739,065 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 \$3,421,063 variance between the final amended budget and the June 30, 2023 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, 2023**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023 the School District had \$21,648,701 invested in land, land improvements, buildings and building improvements, machinery and equipment and right to use leased assets. Of this amount, \$10,602,705 in depreciation/amortization has been taken over the years. We currently have a net book value of \$11,045,996. Total depreciable additions for the year were \$887,068 which consisted mainly of building and building improvements, and machinery and equipment purchases. Table 3 shows fiscal year 2023 balances compared to 2022.

Additional information about the District's capital assets can be found in the notes to the basic financial statements.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>Restated 2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>Restated 2022</u>
Land	1,320,213	1,320,213			1,320,213	1,320,213
Construction in Progress	4,844,245					
Site Improvements	38,624	45,905			38,624	45,905
Buildings and Improvements	3,738,315	3,187,858			3,738,315	3,187,858
Machinery and Equipment	529,059	625,142	31,974	566	561,033	625,708
Right to use Leased Assets	543,566	719,858			543,566	719,858
	<u>11,014,022</u>	<u>5,898,976</u>	<u>31,974</u>	<u>566</u>	<u>11,045,996</u>	<u>5,899,542</u>

Debt Administration

At June 30, 2023, the District had \$4,156,238 in long term debt. Of this amount, \$259,853 is for compensated absences, \$3,395,789 is for the District's net pension liability, and \$500,596 represents the lease liability. For more detailed information, please refer to the Notes to the Financial Statements.

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The district continues to rely predominately upon local property taxes as its main source of funding. Therefore, in consideration of current economic conditions and the anticipation of continued flat state aid support, the Board of Education has sought to control budget expenses to minimize the impact on the local tax levy.

The following factors were considered in preparing the 2023-2024 fiscal year budget:

- Estimated Student Enrollment
- Sources of revenue
- Cost of negotiated salaries and benefits
- Cost of fixed charges
- Mandated Programs
- Requirements for health and safety issues

Prior to the end of fiscal year 2004, S1701 was enacted. The law is meant to control public school district budgets by revising the calculation of budget caps and reducing surplus. Starting in 2005-06 the CAP will be set at 2.5% or the cost of living, whichever is greater. A number of other changes will affect the calculation of SGLA's and per pupil administrative costs. Any undesignated general fund balance in excess of 2% or \$250,000, whichever is greater, must be appropriated for tax relief.

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:

John Bussanich
School Business Administrator
Fairview Board of Education
130 Hamilton Avenue
Fairview, NJ 07022

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

FAIRVIEW BOARD OF EDUCATION
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	3,691,118	96,158	3,787,276
Receivables, net	2,080,293	37,572	2,117,865
Internal Balances	(6,909)	6,909	-
Restricted assets:			
Reserve accounts - cash	28,961,433		28,961,433
Capital assets:			
Land and Construction in Progress	6,164,458		6,164,458
Depreciable Buildings, Improvements and Equipment (net)	4,305,998	31,974	4,337,972
Right to use leased assets, net of amortization	543,566		543,566
Total Assets	<u>45,739,957</u>	<u>172,613</u>	<u>45,912,570</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	<u>835,687</u>		<u>835,687</u>
Total Deffered Outflows	<u>835,687</u>		<u>835,687</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,359,660	35,542	1,395,202
Payable to state government	45,117		45,117
Unearned revenue	2,770,553		2,770,553
Payroll deductions and withholdings payable	157,669		157,669
Noncurrent liabilities:			
Due within one year	231,858		231,858
Due beyond one year	3,924,380		3,924,380
Total liabilities	<u>8,489,237</u>	<u>35,542</u>	<u>8,524,779</u>
Deferred Inflows of Resources:			
Deferred inflows of resources related to PERS	<u>759,264</u>		<u>759,264</u>
Total Deferred Inflows	<u>759,264</u>		<u>759,264</u>
NET POSITION			
Net Investment in Capital Assets	11,014,022	31,974	11,045,996
Restricted for:			
Debt service	82,301		82,301
Other purposes	32,173,209		32,173,209
Unrestricted (Deficit)	(5,942,389)	105,097	(5,837,292)
Total net position	<u>37,327,143</u>	<u>137,071</u>	<u>37,464,214</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, 2023

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
Instruction:						
Regular	5,135,699	519,108			(5,654,807)	(5,654,807)
Special education	3,833,371	180,682		2,214,368	(1,799,685)	(1,799,685)
Other special instruction	844,478	94,311			(938,789)	(938,789)
Other instruction	40,408	4,188			(44,596)	(44,596)
Support services:						
Tuition	12,536,256				(12,536,256)	(12,536,256)
Student & instruction related services	3,565,744	199,983	33,838	1,213,817	(2,518,072)	(2,518,072)
General administrative services	655,030	39,746			(694,776)	(694,776)
School administrative services	764,536	85,383			(849,919)	(849,919)
Central services and administrative information technology	839,598	88,677			(928,275)	(928,275)
Plant operations and maintenance	1,623,925	64,616			(1,688,541)	(1,688,541)
Pupil transportation	854,084	18,729			(872,813)	(872,813)
Unallocated benefits	4,377,969				(4,377,969)	(4,377,969)
Capital outlay - non-depreciable	147,168				(147,168)	(147,168)
Interest on long-term debt	23,355				(23,355)	(23,355)
Unallocated depreciation	404,897				(404,897)	(404,897)
Amortization	176,292				(176,292)	(176,292)
Total governmental activities	35,822,810	1,295,423	33,838	3,428,185	(33,656,210)	(33,656,210)
Business-type activities:						
Food Service	594,771		3,460	459,545		(131,766)
Total business-type activities	594,771		3,460	459,545		(131,766)
Total primary government	36,417,581		37,298	3,887,730	(33,656,210)	(33,787,976)
General revenues:						
Taxes:						
Levied for general purposes						
Federal and State aid not restricted						
Federal and State aid - Capital Outlay						
Investment Earnings						
Miscellaneous Income						
Total general revenues, special items, extraordinary items and transfers						
Change in Net Position						
Net Position—beginning (restated)						
Net Position—ending						

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, 2023

	<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	897,994	2,710,823	82,301	3,691,118
Accounts Receivable -				
Intergovernmental - Federal		138,372		138,372
Intergovernmental - State	544,256	46,512		590,768
Other receivables	1,351,153			1,351,153
Restricted cash and cash equivalents				
Capital reserve	28,183,579			28,183,579
Tuition reserve	600,000			600,000
Payroll deductions and withholdings	157,669 *			157,669
Student activity accounts		20,185 *		20,185
	<u>31,734,651</u>	<u>2,915,892</u>	<u>82,301</u>	<u>34,732,844</u>
Total assets				
	<u>31,734,651</u>	<u>2,915,892</u>	<u>82,301</u>	<u>34,732,844</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	946,332	80,037		1,026,369
Intergovernmental accounts payable - State		45,117		45,117
Interfund payables	6,909			6,909
Unearned revenue		2,770,553		2,770,553
Payroll deductions and withholdings	157,669 **			157,669
Total liabilities	<u>1,110,910</u>	<u>2,895,707</u>	<u>-</u>	<u>4,006,617</u>
Fund Balances:				
Restricted for:				
Excess Surplus - current year	1,029,852			1,029,852
Excess Surplus - prior year - designated for subsequent year's expenditures	465,820			465,820
Capital reserve account	28,183,579			28,183,579
Tuition reserve	600,000			600,000
Student Activities		20,185		20,185
Assigned to:				
Year-end encumbrances	958,014			958,014
Designated by the BOE for subsequent year's expenditures	935,944			935,944
Debt service fund			82,301	82,301
Unassigned:				
General fund	<u>(1,549,468)</u>			<u>(1,549,468)</u>
Total Fund balances	<u>30,623,741</u>	<u>20,185</u>	<u>82,301</u>	<u>30,726,227</u>
Total liabilities and fund balances	<u>31,734,651</u>	<u>2,915,892</u>	<u>82,301</u>	

FAIRVIEW BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2023

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 \$20,659,520 and the accumulated depreciation is \$10,189,064	10,470,456
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Right to use assets at historical cost	896,150
Accumulated amortization	(352,584)
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds	(987)
Accounts payable for subsequent Pension payment is not a payable in the funds	(332,304)
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	835,687
Deferred inflows of resources related to PERS Pension Liability	(759,264)
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>(4,156,238)</u>
Net position of governmental activities	<u><u>37,327,143</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, 2023

	<u>General Fund</u>	<u>Special Revenue 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	47,886	2,054		49,940
Student Group Receipts		33,838 *		33,838
Total - Local Sources	16,261,788	35,892	-	16,297,680
State sources	30,234,714	1,976,657		32,211,371
Federal sources	128,272	6,800,972		6,929,244
Total revenues	46,624,774	8,813,521	-	55,438,295
EXPENDITURES				
Current:				
Regular instruction	5,140,729			5,140,729
Special education instruction	1,619,003	2,214,368		3,833,371
Other special instruction	844,478			844,478
School sponsored/other instructional	40,408			40,408
Support services and undistributed costs:				
Tuition	12,536,256			12,536,256
Attendance and social work services	230,446			230,446
Health services	545,315			545,315
Student & instruction related services	1,443,538	1,346,445 **		2,789,983
General administrative services	655,030			655,030
School administrative services	764,536			764,536
Central services & administrative information technology	839,598			839,598
Plant operations and maintenance	1,670,835			1,670,835
Pupil transportation	854,084			854,084
Unallocated benefits	3,184,675			3,184,675
On-behalf contributions	4,409,031			4,409,031
Debt service:				
Principal	108,262	111,000		219,262
Interest and other charges	22,368			22,368
Capital outlay	439,965	5,351,498		5,791,463
Total expenditures	35,348,557	9,023,311	-	44,371,868
Excess (Deficiency) of revenues	11,276,217	(209,790)	-	11,066,427
OTHER FINANCING SOURCES (USES)				
Transfers in		209,895		209,895
Transfers out	(209,895)			(209,895)
Total other financing sources and uses	(209,895)	209,895	-	-
Net change in fund balances	11,066,322	105	-	11,066,427
Fund balance—July 1	19,557,419	20,080	82,301	19,659,800
Fund balance—June 30	30,623,741	20,185	82,301	30,726,227

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, 2023

Total net change in fund balances - governmental funds (from B-2) 11,066,427

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	(404,897)	
Non-depreciable capital outlay - Construction in Progress	4,844,245	
Depreciable Capital outlays	<u>851,990</u>	
		5,291,338

Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Accumulated amortization	<u>(176,292)</u>	
		(176,292)

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year, these amounts consist of:

Right to Use Lease Liability	<u>219,262</u>	
		219,262

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

Right to Use Leases	<u>(987)</u>	
		(987)

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 (+).

Increase in compensated absences payable		(69,310)
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District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changed in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District Pension Contributions	283,755	
Plus: Pension Benefit	<u>235,544</u>	
Decrease in Pension Expense		519,299

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.

Decrease in On-behalf State Aid TPAF Pension		(1,889,252)
Decrease in On-behalf TPAF Pension Expense		1,889,252

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

Increase in On-behalf State Aid TPAF Post Employment Medical Revenue		418,927
Increase in On-behalf State Aid TPAF Post Employment Medical Expense		(418,927)

Change in net position of governmental activities		<u><u>16,849,737</u></u>
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The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FAIRVIEW BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2023

**Business-type
Activities -
Enterprise Fund**

**Food Service
Program**

ASSETS

Current assets:

Cash and cash equivalents	96,158
Interfund receivable	6,909
Accounts receivable:	
State	1,031
Federal	36,541
Total current assets	<u>140,639</u>

Noncurrent assets:

Capital assets:

Equipment	93,031
Less accumulated depreciation	<u>(61,057)</u>
Total capital assets (net of accumulated depreciation)	<u>31,974</u>
Total assets	<u>172,613</u>

Current Liabilities:

Accounts Payable	<u>35,542</u>
Total Liabilities	<u>35,542</u>

NET POSITION

Net Investment in Capital Assets	31,974
Unrestricted	<u>105,097</u>
Total net position	<u><u>137,071</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, 2023

	<u>Business-type Activities - Enterprise Fund</u>
Operating revenues:	
Charges for services:	
Daily sales-reimbursable programs	3,460
Total operating revenues	<u>3,460</u>
Operating expenses:	
Cost of sales-reimbursable programs	544,940
Supplies and materials	46,161
Depreciation expense	3,670
Total Operating Expenses	<u>594,771</u>
Operating income (loss)	<u>(591,311)</u>
Nonoperating revenues (expenses):	
State sources:	
School lunch program	10,446
School breakfast after the bell	1,186
School breakfast program	445
Federal sources:	
National school lunch program	396,294
Breakfast program	35,073
Summer food service program	16,101
Interest Income	263
Total nonoperating revenues (expenses)	<u>459,808</u>
Income (loss) before contributions & transfers	<u>(131,503)</u>
Total net position—beginning	<u>268,574</u>
Total net position—ending	<u><u>137,071</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, 2023

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	3,460
Payments to suppliers	<u>(594,794)</u>
Net cash provided by (used for) operating activities	<u>(591,334)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	12,434
Federal Sources	470,589
Prior Year Interfund	<u>74,418</u>
Net cash provided by (used for) non-capital financing activities	<u>557,441</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(35,078)</u>
Net cash provided by (used for) capital and related financing activities	<u>(35,078)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	<u>263</u>
Net cash provided by (used for) investing activities	<u>263</u>
Net increase (decrease) in cash and cash equivalents	<u>(68,708)</u>
Balances—beginning of year	<u>164,866</u>
Balances—end of year	<u><u>96,158</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(591,311)
Adjustments to reconcile operating income (loss) to net cash provided by	
Depreciation and net amortization	3,670
Increase (decrease) in accounts payable	<u>(3,693)</u>
Total adjustments	<u>(23)</u>
Net cash provided by (used for) operating activities	<u><u>(591,334)</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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 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 through grade eight (8). A superintendent is appointed by the Board and is responsible for the administrative control of the District. A school business administrator and board secretary are also appointed by the Board and oversee the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, as well as planning and operational functions of the District. The School Business Administrator is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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, 2023**

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 financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Currently the District does not have any fiduciary funds.

District-wide Financial Statements:

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflected on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

B. Basis of Presentation: (continued)

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

B. Basis of Presentation: (continued)

of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

B. Basis of Presentation: (continued)

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.

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

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

D. Basis of Accounting: (continued)

modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

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

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, 2023

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, special revenue and debt service 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, 2023

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, 2023

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

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2023, 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. 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, 2023

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. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

Q. Accounting and Financial Reporting for Pensions:

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

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.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

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

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.

R. Bond Discounts/Premiums

Bond discounts/premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts/premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

S. 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.

T. Right to Use Assets

The District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related issue.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

U. Fund Balances:

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

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

In the general operating fund and other governmental funds (special revenue, capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

V. 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. Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

W. 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.

X. 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.

Y. Allocation of Indirect Expenses:

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

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

Z. 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.

AA. New Accounting Standards:

During fiscal year 2023, the District adopted the following GASB Statement:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The implementation of this statement has no material impact on the financial statements.

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

GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

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, 2023, \$0- of the District's bank balance of \$33,916,467 was exposed to custodial credit risk.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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, 2023, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$590,768	\$1,031	\$591,799
Federal Aid	138,372	36,541	174,913
Other Receivables	1,351,153		1,351,153
Due from Other Funds	<u> </u>	<u>6,909</u>	<u> </u>
Gross Receivables	2,080,293	44,481	2,117,865
Less: Allowance for Uncollectibles	<u> </u>	<u> </u>	<u> </u>
Total Receivables, Net	<u>\$2,080,293</u>	<u>\$44,481</u>	<u>\$2,117,865</u>

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 4. INTERFUND BALANCE AND ACTIVITY:

Balance due to/from other funds at June 30, 2023, consist of the following:

\$6,909 Due to the Enterprise Fund from the General Fund for the subsidy reimbursements not turned over.

\$6,909

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

Interfund transfers for the year ended June 30, 2023 consisted of the following:

\$209,895 Due from the General Fund to the Special Revenue Fund for District Contribution to Preschool Education Aid.

\$209,895

NOTE 5. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Restated Balance <u>6/30/22</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>6/30/23</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	1,320,213			1,320,213
Construction in progress		<u>4,844,245</u>		<u>4,844,245</u>
Total Capital Assets Not Being Depreciated	<u>1,320,213</u>	<u>4,844,245</u>		<u>6,164,458</u>
Site Improvements	313,485			313,485
Buildings and Building Improvements	10,370,568	805,869		11,176,437
Machinery and Equipment	2,959,019	46,121		3,005,140
Right to use Leased Assets - St. John	<u>896,150</u>			<u>896,150</u>
Totals at Historical Cost	<u>14,539,222</u>	<u>851,990</u>		<u>15,391,212</u>
Less Accumulated Depreciation:				
Sites and Improvements	(267,580)	(7,281)		(274,861)
Buildings and Improvements	(7,182,710)	(255,412)		(7,438,122)
Machinery and Equipment	(2,333,877)	(142,204)		(2,476,081)
Right to use Leased Assets - St. John	<u>(176,292)</u>	<u>(176,292)</u>		<u>(352,584)</u>
Total Accumulated Depreciation	<u>(9,960,459)</u>	<u>(581,189)</u>		<u>(10,541,648)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>4,578,763</u>	<u>270,801</u>		<u>4,849,564</u>
Governmental Activities Capital Assets, Net	<u>5,898,976</u>	<u>5,115,046</u>		<u>11,014,022</u>

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 5. CAPITAL ASSETS: (continued)

	Beginning Balance <u>6/30/22</u>	<u>Additions</u>	<u>Retirements</u>	Ending Balance <u>6/30/23</u>
Business-Type Activities:				
Building and Building Improvements				
Equipment	<u>57,953</u>	<u>35,078</u>	<u> </u>	<u>93,031</u>
Totals at historical cost	<u>57,953</u>	<u>35,078</u>	<u> </u>	<u>93,031</u>
Less Accumulated Depreciation for:				
Building and Building Improvements				
Equipment	<u>(57,387)</u>	<u>(3,670)</u>	<u> </u>	<u>(61,057)</u>
Total Accumulated Depreciation	<u>(57,387)</u>	<u>(3,670)</u>	<u> </u>	<u>(61,057)</u>
Business-Type Activity Capital Assets, Net	<u><u>566</u></u>	<u><u>31,408</u></u>	<u><u> </u></u>	<u><u>31,974</u></u>

*Depreciation expense was charged to governmental functions as follows:

Unallocated	\$262,693
Instruction:	
Regular	107,967
Support Services:	
Student & Instruction Related Services	10,066
School Administration	4,849
Operations and Maintenance of Plant	5,985
Student Transportation	13,337
Amortization	<u>176,292</u>
Total Depreciation Expense	<u><u>\$581,189</u></u>

NOTE 6. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the year ended June 30, 2023 were as follows:

	Balance <u>June 30, 2022</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>June 30, 2023</u>	Amount Due Within <u>One Year</u>
Other Liabilities:					
Compensated Absences Payable	\$190,543	\$125,240	\$55,930	\$259,853	\$
Net Pension Liability PERS	2,627,366	768,423		3,395,789	
Lease Liability	<u>719,858</u>	<u> </u>	<u>219,262</u>	<u>500,596</u>	<u>231,858</u>
Total Other Liabilities	<u><u>\$3,537,767</u></u>	<u><u>\$893,663</u></u>	<u><u>\$275,192</u></u>	<u><u>\$4,156,238</u></u>	<u><u>\$231,858</u></u>

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

A. Bonds Payable:

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

As of June 30, 2023, the Board had no bonds payable outstanding.

B. Bonds Authorized But Not Issued:

As of June 30, 2023 the Board has no authorized but not issued bonds.

C. Capital Leases

As of June 30, 2023, the Board has no capital leases outstanding.

D. Compensated Absences

Compensated Absences will be paid from the fund which the employees' salaries are paid.

E. Net Pension Liability

For details on the net pension liability, refer to Note 7. The District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

F. Leases

The District has entered into a lease as a lessee of a building for instructional and office space. An initial lease liability was recorded in the amount of \$896,150 in the fiscal year 2022. For the year ended June 30, 2023, the value of the lease liability is \$500,596. The lease has an interest rate of 4.00%. The value of the right to use assets for the year ended June 30, 2023 was \$896,150, with accumulated amortization of \$352,584.

<u>Fiscal</u> <u>Year Ending</u>	<u>Governmental</u> <u>Activities</u>
2024	\$247,671
2026	253,863
2026	<u>21,198</u>
Total minimum lease payments	522,732
Less: Amount representing interest	<u>(22,136)</u>
Present value of lease payments	<u><u>\$500,596</u></u>

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. 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 (TPAF) 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 TPAF is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits.

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 always 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 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:

<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, 2023

NOTE 7. 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, 2023

NOTE 7. 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

Empower Financial Services 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>Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/23	\$283,755	\$10,833
6/30/22	259,735	16,447
6/30/21	256,572	10,664

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. 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>
6/30/23	\$2,873,459	\$765,323	\$39,866	\$1,705
6/30/22	3,036,086	719,360	42,835	1,644
6/30/21	2,011,071	642,230	38,263	1,672

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 \$728,678 during the year ended June 30, 2023 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, 2023, the District had a liability of \$3,395,789 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the District's proportion was 0.0225015222 percent, which was an increase/(decrease) of 0.0000032311 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$(235,544) At June 30, 2023, 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, 2023

NOTE 7. PENSION PLANS: (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$24,509	\$21614
Changes of assumptions	10,521	508,484
Net difference between projected and actual earnings on pension plan investments	140,549	
Changes in proportion and differences between District contributions and proportionate share of contributions	327,804	229,166
District contributions subsequent to the measurement date	<u>332,304</u>	<u> </u>
Total	<u><u>\$835,687</u></u>	<u><u>\$759,264</u></u>

The \$332,304 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, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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:	
2023	\$(291,287)
2024	(148,401)
2025	(72,372)
2026	157,889
2027	(348)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows 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 5.04, 5.13, 5.16, 5.21, 5.63, and 5.48 years for 2022, 2021, 2020, 2019, 2018, and 2017, respectively.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,091,376,611	11,846,499,172
District's Proportion	0.0225015222%	0.0221784136%

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75%-6.55% based on years of service
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. 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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2022 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, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$4,370,783	\$3,359,789	\$2,566,031

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, 2023

NOTE 7. 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.

In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>38,051,525</u>
	<u>\$38,051,525</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. 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, 2022, the proportion of the TPAF net pension liability associated with the District was 0.0737512474%.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$1,024,073 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, 2023

NOTE 7. PENSION PLANS: (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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:	2.75%-5.65% based on years of service
Investment Rate of Return	7.00%

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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 are summarized in the following table:

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. 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%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2023

NOTE 8. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement NO. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability of the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: nj.gov/treasury/omb/fr.shtml.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

OPEB Liability:	
District's proportionate share	\$
State's proportionate share	
associated with the District	<u>29,831,552</u>
	<u><u>\$29,831,552</u></u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2022 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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:

	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:	2.75 - 4.25%	2.75 - 6.55%
	based on service years	based on service years

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP). "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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, 2021 valuation were based on the results of the TPAF, PERS and PFRS actuarial experience studies prepared for July 1, 2018 to June 30, 2021.

(a) Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(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.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

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

For the year ended June 30, 2023, the board of education/board of trustees recognized on-behalf OPEB expense of \$1,184,250 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 9. DEFERRED COMPENSATION:

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

Valic
Equitable
Prudential Financial

NOTE 10. 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 Annual Comprehensive Financial Report.

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

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

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 11. 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). 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.

Beginning Balance, July 1, 2022	\$17,383,579
Increased by:	
Deposits Approved by Board Resolution	12,000,000
Decreased by:	
Budget Appropriations	<u>1,200,000</u>
Ending Balance, June 30, 2023	<u>\$28,183,579</u>

NOTE 12. 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.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 12. TUITION RESERVE: (continued)

The activity of the Tuition Reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$600,000
Increased by:	
Deposits Approved by Board Resolution	300,000
Decreased by:	
Budget Appropriations	<u>300,000</u>
Ending Balance, June 30, 2023	<u>\$600,000</u>

NOTE 13. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] – Of the \$30,623,741 General Fund fund balance at June 30, 2023, \$958,014 is reserved for encumbrances; \$1,495,672 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$465,820 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2024); \$58,183,579 has been reserved in the Capital Reserve Account; \$600,000 has been reserved in the Tuition Reserve Account; \$935,944 of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ended June 30, 2024; (\$1,549,469) is unreserved and undesignated.

Special Revenue Fund - The Special Revenue Fund balance at June 30, 2023 of \$20,185 is reserved for Student Groups.

Debt Service Fund - The Debt Service Fund balance at June 30, 2023 of \$82,301 is unreserved and undesignated.

NOTE 14. DEFICIT FUND BALANCES:

The District has a deficit fund balance of \$1,549,468 in the General Fund as of June 30, 2023 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget years, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 14. DEFICIT FUND BALANCES: (continued)

recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAO financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP fund statements of \$1,549,468 is less than the last state aid payment(s).

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, 2023 is \$1,495,672. Of this amount, \$1,029,852 is the result of current year's operations.

NOTE 16. RIGHT TO USE LEASED ASSETS

The District has recorded on right to use leased asset. The asset is for the lease of the Saint John the Baptist building for use as instructional space. The lease was initiated on June 16, 2014 and runs through July 31, 2025. The right to use lease asset is amortized on the straight-line basis over the terms of the related issue.

	Restated Balance <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2023</u>
Right to use assets				
Leased Building	\$896,150	\$ _____	\$ _____	\$896,150
Total right to use assets	<u>896,150</u>	<u>_____</u>	<u>_____</u>	<u>896,150</u>
Less accumulated amortization for:				
Leased Building	<u>(176,292)</u>	<u>(176,292)</u>	<u>_____</u>	<u>(352,584)</u>
Total accumulated amortization	<u>(176,292)</u>	<u>(176,292)</u>	<u>_____</u>	<u>(352,584)</u>
Right to use leased asset, net	<u>\$719,858</u>	<u>(\$176,292)</u>	<u>\$0</u>	<u>\$543,566</u>

Lease Asset Quantitative Disclosure:

<u>Lease Description</u>	<u>Role</u>	<u>Classification</u>	<u>Net Asset Balance</u>	<u>Accumulated Amortization</u>	<u>Gross Asset Balance</u>
Saint John the Baptist	Lessee	Building	\$719,858	\$176,292	\$896,150
			<u>\$719,858</u>	<u>\$176,292</u>	<u>\$896,150</u>

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 17. CONTINGENT LIABILITIES:

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

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

NOTE 18. RESTATEMENT:

Statement of Net Position for June 30, 2022 was restated to reflect the reclassification of the right to use leased assets as per Governmental Accounting Standards Board ("GASB") number 87. This resulted in restatement of Current Assets, Noncurrent Liabilities and Net Position as of June 30, 2022.

	<u>Governmental Activities</u>
Capital Assets:	
Right to use lease assets, net of amortization at June 30, 2022	\$ -
Prior Period Adjustment or Implementation of GASB #87	<u>719,858</u>
Capital Assets:	
Right to use lease assets, net of amortization at June 30, 2022 - Restated	<u><u>\$719,858</u></u>
Noncurrent Liabilities:	
Due within one year at June 30, 2022	\$ -
Prior Period Adjustment or Implementation of GASB #87	<u>219,262</u>
Noncurrent Liabilities:	
Due within one year at June 30, 2022 - Restated	<u><u>\$219,262</u></u>
Noncurrent Liabilities:	
Due beyond one year at June 30, 2022	\$2,817,909
Prior Period Adjustment or Implementation of GASB #87	<u>500,596</u>
Noncurrent Liabilities:	
Due beyond one year at June 30, 2022 - Restated	<u><u>\$3,318,505</u></u>

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 18. RESTATEMENT: (continued)

Net Position:	
Invested in capital assets at June 30, 2022	\$5,179,118
Prior Period Adjustment or Implementation of GASB #87	<u>719,858</u>
Net Position:	
Invested in capital assets at June 30, 2022 - Restated	<u>\$5,898,976</u>
Net Position:	
Unrestricted (Deficit) at June 30, 2022	(\$4,524,367)
Prior Period Adjustment or Implementation of GASB #87	<u>(719,858)</u>
Net Position:	
Unrestricted (Deficit) at June 30, 2022 - Restated	<u>(\$5,244,225)</u>

NOTE 19. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through November 22, 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, 2023

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	16,213,902		16,213,902	16,213,902	
Interest Earned on Capital Reserve Funds	1		1		(1)
Unrestricted Miscellaneous Revenues				47,886	47,886
Total - Local Sources	<u>16,213,903</u>		<u>16,213,903</u>	<u>16,261,788</u>	<u>47,885</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,748,955		1,748,955	1,748,955	
Equalization Aid	23,175,844		23,175,844	23,175,844	
Categorical Security Aid	721,266		721,266	721,266	
Categorical Transportation Aid	159,545		159,545	159,545	
Extraordinary Aid				318,313	318,313
State Reimbursement for Lead Testing of Drinking Water				3,340	3,340
NTE Homeless Reimbursement				191,562	191,562
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				765,323	765,323
On-behalf TPAF Pension (non-budgeted)				2,873,459	2,873,459
On-behalf TPAF NCGI Premium (non-budgeted)				39,866	39,866
On-behalf TPAF LTDL				1,705	1,705
Reimbursed TPAF Social Security Contributions (non-budgeted)				728,678	728,678
Total - State Sources	<u>25,805,610</u>		<u>25,805,610</u>	<u>30,727,856</u>	<u>4,922,246</u>
Revenues from Federal Sources:					
Special Education Medicaid Initiative	43,829		43,829	102,240	58,411
FFRCA-SEMI				5,027	5,027
MAC				21,005	21,005
Total - Federal Sources	<u>43,829</u>		<u>43,829</u>	<u>128,272</u>	<u>84,443</u>
TOTAL REVENUES	<u>42,063,342</u>		<u>42,063,342</u>	<u>47,117,916</u>	<u>5,054,574</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	90,440	(17,816)	72,624	7,125	65,499
Kindergarten - Salaries of Teachers	607,894	17,816	625,710	611,544	14,166
Grades 1-5 - Salaries of Teachers	2,414,589	279,363	2,693,952	2,543,931	150,021
Grades 6-8 - Salaries of Teachers	1,307,910	(16,175)	1,291,735	1,285,419	6,316
Regular Programs - Home Instruction:					
Other Salaries for Instruction	840	20,775	21,615	21,615	
Other Purchased Services (400-500 series)	445,684	(283,963)	161,721		161,721
General Supplies	503,713		503,713		503,713
Textbooks	541,338		541,338		541,338
Other Objects	205,513		205,513		205,513
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	227,248	30,381	257,629	200,202	57,427
Other Purchased Services (400-500 series)	488,729	(30,381)	458,348	104,828	353,520
General Supplies	512,406		512,406	181,364	331,042
Textbooks	502,360	31,094	533,454	90,570	442,884
Other Objects	217,560	(31,094)	186,466	94,131	92,335
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>8,066,224</u>		<u>8,066,224</u>	<u>5,140,729</u>	<u>2,925,495</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities - Mild/Moderate					
Salaries of Teachers	634,281		634,281	514,938	119,343
Other Salaries for Instruction	225,185		225,185	216,504	8,681
General Supplies	5,000		5,000	964	4,036
Textbooks	5,000		5,000		5,000
Other Objects	3,000		3,000		3,000
Total Learning and/or Language Disabilities - Mild/Moderate	<u>872,466</u>		<u>872,466</u>	<u>732,406</u>	<u>140,060</u>
Resource Room/Resource Center:					
Salaries of Teachers	953,799	(79,487)	874,312	718,046	156,266
Total Resource Room/Resource Center	<u>953,799</u>	<u>(79,487)</u>	<u>874,312</u>	<u>718,046</u>	<u>156,266</u>
Preschool Disabilities- Full-Time:					
Salaries of Teachers	120,854	72,322	193,176	154,875	38,301
Other Salaries for Instruction	113,672	(83,673)	29,999	13,500	16,499
General Supplies	7,233		7,233	176	7,057
Other Objects	2,500		2,500		2,500
Total Preschool Disabilities - Full-Time	<u>244,259</u>	<u>(11,351)</u>	<u>232,908</u>	<u>168,551</u>	<u>64,357</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>2,070,524</u>	<u>(90,838)</u>	<u>1,979,686</u>	<u>1,619,003</u>	<u>360,683</u>

Exhibit C-1

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction					
Salaries of Teachers	7,000		7,000		7,000
General Supplies	3,000		3,000		3,000
Textbooks	2,500		2,500		2,500
Other Objects	2,500		2,500		2,500
Total Basic Skills/Remedial - Instruction	15,000		15,000		15,000
Bilingual Education - Instruction					
Salaries of Teachers	743,404	90,839	834,243	834,016	227
Other Salaries for Instruction	16,546		16,546	10,462	6,084
General Supplies	2,320		2,320		2,320
Textbooks	4,500		4,500		4,500
Other Objects	1,500		1,500		1,500
Total Bilingual Education - Instruction	768,270	90,839	859,109	844,478	14,631
School-Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	78,000		78,000	11,102	66,898
Supplies and Materials	10,538		10,538	2,910	7,628
Total School-Sponsored Cocurricular Activities - Instruction	88,538		88,538	14,012	74,526
School-Sponsored Athletics - Instruction					
Salaries	48,112		48,112	26,396	21,716
Supplies and Materials	5,000		5,000		5,000
Other Objects	1,000		1,000		1,000
Total School-Sponsored Athletics - Instruction	54,112		54,112	26,396	27,716
TOTAL INSTRUCTION	11,062,668	1	11,062,669	7,644,618	3,418,051
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	7,005,640	(8,993)	6,996,647	6,803,772	192,875
Tuition to Other LEAs Within the State - Special	4,601,937		4,601,937	3,664,486	937,451
Tuition to County Voc. School Dist. - Regular	475,913		475,913	109,494	366,419
Tuition to County Voc. School Dist. - Special	219,448		219,448	112,365	107,083
Tuition to CSSD & Regional Day Schools	2,522,302		2,522,302	1,846,139	676,163
Tuition to Private Schools for the Handicapped - Within State	525,775	(34,229)	491,546		491,546
Total Undistributed Expenditures - Instruction:	15,351,015	(43,222)	15,307,793	12,536,256	2,771,537
Undistributed Expend. - Attend. & Social Work					
Salaries	136,941	93,839	230,780	230,446	334
Total Undistributed Expend. - Attend. & Social Work	136,941	93,839	230,780	230,446	334
Undist. Expend. - Health Services					
Salaries	441,860	34,229	476,089	469,438	6,651
Purchased Professional and Technical Services	165,303		165,303	66,781	98,522
Supplies and Materials	10,500		10,500	9,096	1,404
Total Undistributed Expenditures - Health Services	617,663	34,229	651,892	545,315	106,577
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	430,667	(105,689)	324,978	238,697	86,281
Purchased Prof. Services-Educational Services	477,509	11,850	489,359	352,298	137,061
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	908,176	(93,839)	814,337	590,995	223,342
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	99,659	33,446	133,105	93,729	39,376
Total Undist. Expend. - Guidance	99,659	33,446	133,105	93,729	39,376
Undist. Expend. - Child Study Team					
Salaries of Other Professional Staff	791,119	(179,811)	611,308	413,608	197,700
Salaries of Secretarial and Clerical Assistants	128,669	19,412	148,081	148,076	5
Total Undist. Expend. - Child Study Team	919,788	(160,399)	759,389	561,684	197,705
Undist. Expend. - Improvement of Instructional Service					
Salaries of Supervisors of Instruction		127,953	127,953	127,953	
Other Purchased Professional and Technical Services	1,000	(1,000)			
Total Undist. Expend. - Improvement of Inst. Services	1,000	126,953	127,953	127,953	
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	71,588	(452)	71,136	68,725	2,411
Supplies and Materials		452	452	452	
Total Undist. Expend. - Educational Media Serv./Sch. Library	71,588		71,588	69,177	2,411
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	221,807	134,378	356,185	355,899	286
Legal Services	144,633	(30,842)	113,791	79,646	34,145
Audit Fees	156,500	(22,425)	134,075	38,500	95,575
Architectural/Engineering Services	391,200	(96,700)	294,500		294,500
Purchased Technical Services	98,000		98,000	13,835	84,165
Communications/Telephone	79,239	(35,236)	44,003	32,195	11,808
Other Purch Services (400-500 Series)	23,200	16,000	39,200	39,052	148
General Supplies	55,526	16,141	71,667	69,982	1,685
Misc. Expenditures		23,684	23,684	23,684	
BOE Membership Dues and Fees	10,500	(5,000)	5,500	2,237	3,263
Total Undist. Expend. - Supp. Serv. - General Administration	1,180,605		1,180,605	655,030	525,575

Exhibit C-1

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	514,153	(1,211)	512,942	449,799	63,143
Salaries of Secretarial and Clerical Assistants	296,855	27,618	324,473	314,737	9,736
Total Undist. Expend. - Support Serv. - School Administration	811,008	26,407	837,415	764,536	72,879
Undist. Expend. - Support Serv. - Central Services					
Salaries	737,713	(26,407)	711,306	667,727	43,579
Unused Vacation Payment to Terminated/Retired Staff	95,000	(24,000)	71,000		71,000
Supplies and Materials	19,777	(93)	19,684	12,744	6,940
Other Objects		24,092	24,092	24,092	
Total Undist. Expend. - Support Serv. - Central Services	852,490	(26,408)	826,082	704,563	121,519
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	129,387		129,387	126,312	3,075
Other Purch Services (400-500 Series)	25,000		25,000	8,723	16,277
Total Undist. Expend. - Support Serv. - Administrative	154,387		154,387	135,035	19,352
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	82,500		82,500	75,000	7,500
Cleaning, Repair and Maintenance Services	375,150		375,150	61,952	313,198
Lead Testing of Drinking Water	25,000		25,000		
General Supplies	75,800		75,800	26,510	49,290
Undist. Expend. - Required Maint. for School Facilities	558,450		558,450	163,462	369,988
Undist. Expend. - Custodial Services (262)					
Salaries	731,870		731,870	488,116	243,754
Purchased Prof. And Tech. Services	34,419		34,419	29,407	5,012
Cleaning, Repair and Maintenance Services	457,884		457,884	268,464	189,420
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt.	248,175	(100)	248,075	130,630	117,445
Other Purchased Property Services	24,368	4,721	29,089	26,435	2,654
Insurance	355,000	(4,621)	350,379	189,037	161,342
Miscellaneous Purchased Services	10,000		10,000	5,107	4,893
General Supplies	78,595		78,595	73,092	5,503
Energy (Natural Gas)	98,000		98,000	73,532	24,468
Energy (Electricity)	487,252		487,252	130,977	356,275
Energy (Gasoline)	125,000		125,000	13,058	111,942
Total Undist. Expend. - Custodial Services	2,650,563		2,650,563	1,427,855	1,222,708
Undist. Expend. - Security					
Salaries	415,539		415,539	15,476	400,063
Purchased Professional and Technical Services	265,851		265,851	194,672	71,179
Total Undist. Expend. - Security	681,390		681,390	210,148	471,242
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet. Home & Sch.) - Regular	44,793	33,254	78,047	75,835	2,212
Salaries for Pupil Trans (Bet. Home & Sch.) - Sp Ed	132,764	(12,640)	120,124	90,673	29,451
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	35,000	(20,614)	14,386	1,189	13,197
Cleaning, Repair and Maintenance Services	43,000		43,000	13,811	29,189
Contract Services (Between Home & School)-Vendors	962,161		962,161	407,705	554,456
Contract Services (Sp. Ed. Students)-Vendors	940,180		940,180	251,281	688,899
Contract Services (Sp. Ed. Students)-Joint Agreements	200,000	(1,139)	198,861		198,861
Miscellaneous Purchased Services - Transportation	1,000		1,000	546	454
General Supplies	13,000	1,139	14,139	13,044	1,095
Total Undist. Expend. - Student Transportation Services	2,371,898		2,371,898	854,084	1,517,814
ALLOCATED BENEFITS					
Support Services - Central Services					
Unused Sick Payment to Terminated/Retired Staff	88,000		88,000		88,000
TOTAL ALLOCATED BENEFITS	88,000		88,000		88,000
UNALLOCATED BENEFITS					
Social Security Contributions	225,000		225,000	108,796	116,204
Other Retirement Contributions-PERS	425,000	(5,000)	420,000	294,588	125,412
Unemployment Compensation	51,947	5,000	56,947	54,231	2,716
Workmen's Compensation	200,000		200,000	88,207	111,793
Health Benefits	3,091,891		3,091,891	2,480,879	611,012
Other Employee Benefits	220,000		220,000	157,974	62,026
TOTAL UNALLOCATED BENEFITS	4,213,838		4,213,838	3,184,675	1,029,163
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				765,323	(765,323)
On-behalf TPAF Pension (non-budgeted)				2,873,459	(2,873,459)
On-behalf TPAF NCGI Premium (non-budgeted)				39,866	(39,866)
On-behalf TPAF LTDI				1,705	(1,705)
Reimbursed TPAF Social Security Contributions (non-budgeted)				728,678	(728,678)
TOTAL ON-BEHALF CONTRIBUTIONS				4,409,031	(4,409,031)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	4,301,838		4,301,838	7,593,706	(3,291,868)
TOTAL UNDISTRIBUTED EXPENDITURES	31,668,459	(8,994)	31,659,465	27,263,974	4,370,491
TOTAL GENERAL CURRENT EXPENSE	42,731,127	(8,993)	42,722,134	34,908,592	7,788,542
CAPITAL OUTLAY					

Exhibit C-1

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Equipment					
Regular Programs - Instruction:					
School Buses - Regular	275,000		275,000		275,000
Total Equipment	<u>275,000</u>		<u>275,000</u>		<u>275,000</u>
Facilities Acquisition and Construction Services					
Salaries	216,000		216,000		216,000
Architectural/Engineering Services	50,000		50,000		50,000
Construction Services	930,275		930,275	439,965	490,310
Supplies and Materials	442,000		442,000		442,000
Total Facilities Acquisition and Construction Services	<u>1,638,275</u>		<u>1,638,275</u>	<u>439,965</u>	<u>1,198,310</u>
TOTAL CAPITAL OUTLAY	<u>1,913,275</u>		<u>1,913,275</u>	<u>439,965</u>	<u>1,473,310</u>
Transfer of Funds to Charter Schools		8,993	8,993		8,993
TOTAL EXPENDITURES	<u>44,644,402</u>		<u>44,644,402</u>	<u>35,348,557</u>	<u>9,270,845</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(2,581,060)		(2,581,060)	11,769,359	14,350,419
Other Financing Sources/(Uses):					
Operating Transfers Out:					
Transfer to Special Revenue Fund - Local Contribution Regular	(209,895)		(209,895)	(209,895)	
Total Other Financing Sources/(Uses):	<u>(209,895)</u>		<u>(209,895)</u>	<u>(209,895)</u>	
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	(2,790,955)		(2,790,955)	11,559,464	14,350,419
Fund Balance, July 1	21,555,046		21,555,046	21,555,046	
Fund Balance, June 30	<u>18,764,091</u>		<u>18,764,091</u>	<u>33,114,510</u>	<u>14,350,419</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(916,890)		(916,890)	(916,890)	
Increase in Capital Reserve:					
Principal				12,000,000	(12,000,000)
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)	
Withdrawal from Capital Reserve	(1,200,000)		(1,200,000)	(1,200,000)	
Withdrawal from Maintenance Reserve	(1)		(1)		(1)
Budgeted Fund Balance	<u>(374,065)</u>		<u>(374,065)</u>	<u>1,676,354</u>	<u>26,650,418</u>
	<u>(2,790,955)</u>		<u>(2,790,955)</u>	<u>11,559,464</u>	<u>14,350,418</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				1,029,852	
Excess Surplus - Designated for Subsequent Year's Expenditures				465,820	
Tuition Reserve - Designated for Subsequent Year's Budget				300,000	
Tuition Reserve				300,000	
Capital Reserve				28,183,579	
Assigned Fund Balance:					
Year-end Encumbrances				958,014	
Designated for Subsequent Year's Expenditures				935,944	
Unassigned Fund Balance				<u>941,301</u>	
Total Fund Balance per Governmental Funds (Budgetary)				<u>33,114,510</u>	
Recapitulation to Governmental Fund Statement (GAAP)					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>2,490,769</u>	
Total Fund Balance per Governmental Funds (GAAP)				<u>30,623,741</u>	

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
REVENUES:						
Local Sources		47,595	47,595	72,610	(25,015)	note 1
State Sources	3,047,174	57,516	3,104,690	1,955,317	1,149,373	
Federal Sources	1,499,636	9,633,954	11,133,590	8,761,990	2,371,600	
Total Revenues	4,546,810	9,739,065	14,285,875	10,789,917	3,495,958	
EXPENDITURES:						
Instruction:						
Salaries of Teachers	1,143,857	292,933	1,436,790	889,507	547,283	
Other Salaries for Instruction	149,534	27,733	177,267	177,086	181	
Unused Vacation Payment to Terminated/Retired Staff	75,000	-	75,000			
Purchased Professional - Educational Services	247,278	118,722	366,000	284,131	81,869	
Other Purchased Services (400-500 series)	620,573	(11,366)	609,207	434,207	175,000	
General Supplies	125,242	753,614	878,856	638,713	240,143	
Textbooks	21,810	498	22,308	22,308	-	
Other Objects	100,000	-	100,000	6,733	93,267	
Total instruction	2,483,294	1,182,134	3,665,428	2,452,685	1,212,743	
Support services:						
Salaries of Supervisors of Instruction		83,185	83,185	83,185	-	
Salaries of Program Directors	30,412	58,861	89,273	74,406	14,867	
Salaries of Other Professional Staff	38,535	131,009	169,544	95,412	74,132	
Salaries of Secretarial and Clerical Assistants	57,776	(34,846)	22,930	19,108	3,822	
Other Salaries	60,544	92,814	153,358	129,660	23,698	
Salaries of Master Teachers	83,878	(83,878)		-	-	
Unused Vacation Payment to Terminated/Retired Staff	75,000	-	75,000			
Personnel Services - Employee Benefits	305,777	461,799	767,576	595,343	172,233	
Purchased Professional - Educational Services	290,016	367,919	657,935	367,856	290,079	
Other Purchased Professional Services	75,000	133,905	208,905	4,228	204,677	
Cleaning, Repair and Maintenance Services	161,460	(73,433)	88,027	160	87,867	
Rentals		111,000	111,000	111,000	-	
Contracted Transportation Services (Field Trips)	25,000	-	25,000	4,390	20,610	
Travel	35,000	(30,000)	5,000	-	5,000	
Miscellaneous Purchased Services	95,000	291,975	386,975	78,968	308,007	
Supplies & Materials	125,000	153,357	278,357	133,826	144,531	
Other Objects	100,000	(15,396)	84,604	-	84,604	
Student Activity Disbursements				33,733	(33,733)	note 1
Total support services	1,558,398	1,648,271	3,206,669	1,731,275	1,400,394	
Facilities acquisition and const. serv.:						
Instructional Equipment	262,160	(115,489)	146,671	19,226	127,445	
Noninstructional Equipment	452,853	7,024,149	7,477,002	6,796,521	680,481	
Total facilities acquisition and const. serv.	715,013	6,908,660	7,623,673	6,815,747	807,926	
Total Expenditures	4,756,705	9,739,065	14,495,770	10,999,707	3,421,063	
Other Financing Sources (Uses):						
General Fund - Preschool Education Aid - Regular	209,895		209,895	209,895	-	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	105	74,895	
Fund Balance, July 1				\$ 20,080		
Fund Balance, June 30				\$ 20,185		
Recapitulation:						
Restricted:						
Student Activities				\$ 20,185		
Total Fund Balance				\$ 20,185		

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, 2023

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

		General Fund	Special Revenue Fund
		<u>Fund</u>	<u>Fund</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	47,117,916	10,789,917
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			224,392
Current Year			(2,200,788)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.			
		1,997,627	
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).			
		(2,490,770)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.			
	[B-2]	<u>46,624,773</u>	<u>8,813,521</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the			
budgetary comparison schedule	[C-1]&[C-2]	35,348,557	10,999,707
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			224,392
Current Year			(2,200,788)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds			
	[B-2]	<u>35,348,557</u>	<u>9,023,311</u>

**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%	52.07%
2017	0.0222477688%	\$ 6,589,151	\$ 1,478,346	445.71%	59.86%
2018	0.0225954810%	\$ 5,259,867	\$ 1,196,499	439.60%	51.90%
2019	0.0202396400%	\$ 3,985,084	\$ 1,539,092	258.92%	46.40%
2020	0.0208249068%	\$ 3,752,332	\$ 1,653,613	226.92%	43.43%
2021	0.0234537321%	\$ 3,824,690	\$ 1,618,804	236.27%	41.35%
2022	0.0221784136%	\$ 2,627,366	\$ 1,702,423	154.33%	29.35%
2023	0.0225015222%	\$ 3,395,789	\$ 1,863,935	182.18%	36.78%

* 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		Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
		Contractually Required Contributions	Contractually Required Contributions			
2015	172,670	(172,670)	(172,670)	-	1,500,065	11.51%
2016	174,559	(174,559)	(174,559)	-	1,512,860	11.54%
2017	197,646	(197,646)	(197,646)	-	1,478,346	13.37%
2018	209,323	(209,323)	(209,323)	-	1,196,499	17.49%
2019	201,319	(201,319)	(201,319)	-	1,539,092	13.08%
2020	202,565	(202,565)	(202,565)	-	1,653,613	12.25%
2021	256,572	(256,572)	(256,572)	-	1,618,804	15.85%
2022	259,735	(259,735)	(259,735)	-	1,702,423	15.26%
2023	283,755	(283,755)	(283,755)	-	1,863,935	15.22%

* 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 Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's		District's Covered Payroll - TPAF Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
			Proportionate Share of the Net Pension Liability Associated with the District (Asset)	Proportionate Share of the Net Pension Liability (Asset)			
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%
2023	0.0737512474%	\$ -	38,051,525	-	9,543,787	0.00%	32.29%

* 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, 2023

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**

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Costs	\$ 2,020,114	\$ 2,328,770	\$ 1,243,996	\$ 1,170,009	\$ 1,361,662	\$ 1,639,352
Interest on Total OPEB Liability	790,569	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	(864,353)	(7,414,217)	7,388,395	(5,159,274)	(3,144,882)	
Changes in Assumptions	(8,002,581)	36,154	7,582,078	374,017	(3,249,902)	(4,231,867)
Gross Benefit Payments	(783,082)	(748,830)	(722,619)	(770,030)	(757,276)	(761,385)
Contribution from the Member	25,122	24,303	21,903	22,826	26,173	28,036
Net Changes in total Share of OPEB Liability	(6,814,211)	(4,862,195)	16,423,106	(3,235,496)	(4,551,632)	(2,287,475)
Total OPEB Liability - Beginning	36,645,763	41,507,958	25,084,852	28,320,348	32,871,980	35,159,455
Total OPEB Liability - Ending	\$ 29,831,552	\$ 36,645,763	\$ 41,507,958	\$ 25,084,852	\$ 28,320,348	\$ 32,871,980
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	29,831,552	36,645,763	41,507,958	25,084,852	28,320,348	32,871,980
Total OPEB Liability - Ending	\$ 29,831,552	\$ 36,645,763	\$ 41,507,958	\$ 25,084,852	\$ 28,320,348	\$ 32,871,980
District's Covered Employee Payroll	\$ 11,407,722	\$ 10,414,365	\$ 9,736,677	\$ 9,685,782	\$ 9,166,737	\$ 8,445,495
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	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, 2023

	Total Brought Forward (Ex. E-1a)	IDEA Part - B	IDEA Part - B Preschool	ESEA Title I	ESEA Title I	ESEA Title II, Part A Training & Recruiting	Totals 2023
REVENUES							
Local Sources	72,610						72,610
State Sources	1,955,317						1,955,317
Federal Sources	7,211,365	486,861	12,507	947,446	52,055	51,756	8,761,990
Total Revenues	9,239,292	486,861	12,507	947,446	52,055	51,756	10,789,917
EXPENDITURES:							
Instruction:							
Salaries of Teachers	437,060			452,447			889,507
Other Salaries for Instruction	177,086						177,086
Purchased Professional - Educational Services	232,244			51,887			284,131
Other Purchased Services (400-500 series)	-	424,207	10,000				434,207
General Supplies	480,473			106,185	52,055		638,713
Textbooks	22,308						22,308
Other Objects	6,733						6,733
Total instruction	1,355,904	424,207	10,000	610,519	52,055	-	2,452,685
Support services:							
Salaries of Supervisors of Instruction	83,185						83,185
Salaries of Program Directors	74,406						74,406
Salaries of Other Professional Staff	69,419	25,993					95,412
Salaries of Secretarial and Clerical Assistants	19,108						19,108
Other Salaries	111,650	18,010					129,660
Personnel Services - Employee Benefits	382,824			212,519			595,343
Purchased Professional - Educational Services	291,795	14,999		33,025		28,037	367,856
Other Purchased Professional Services	4,228						4,228
Cleaning, Repair and Maintenance Services	160						160
Rentals	111,000						111,000
Contracted Trans. Services (Field Trips)	4,390						4,390
Miscellaneous Purchased Services	55,249					23,719	78,968
Supplies & Materials	36,284	3,652	2,507	91,383			133,826
Student Activity Disbursements	33,733						33,733
Total support services	1,277,431	62,654	2,507	336,927	-	51,756	1,731,275
Facilities acquisition and const. serv.:							
Instructional Equipment	19,226						19,226
Noninstructional Equipment	6,796,521						6,796,521
Total facilities acquisition and const. serv.	6,815,747	-	-	-	-	-	6,815,747
Total Expenditures	9,449,082	486,861	12,507	947,446	52,055	51,756	10,999,707
Other Financing Sources (Uses):	209,895						209,895
General Fund - Preschool Education Aid - Inclusion							
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	105						105
Fund Balance, July 1	20,080						20,080
Fund Balance, June 30	20,185						20,185

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1b)	ESEA Title III	ESEA Title III Immigrant	ESEA Title IV	CARES	CRRSA- ESSER II	Total Carried Forward
REVENUES							
Local Sources	72,610						72,610
State Sources	1,955,317						1,955,317
Federal Sources	4,950,454	49,701	23,437	89,050	2,415	2,096,308	7,211,365
Total Revenues	6,978,381	49,701	23,437	89,050	2,415	2,096,308	9,239,292
EXPENDITURES:							
Instruction:							
Salaries of Teachers	436,410				650		437,060
Other Salaries for Instruction	177,086						177,086
Purchased Professional - Educational Services	227,744			4,500			232,244
Other Purchased Services (400-500 series)	-						-
General Supplies	386,158	49,356	23,437	16,758	1,742	3,022	480,473
Textbooks	22,308						22,308
Other Objects	6,733						6,733
Total instruction	1,256,439	49,356	23,437	21,258	2,392	3,022	1,355,904
Support services:							
Salaries of Supervisors of Instruction	83,185						83,185
Salaries of Program Directors	74,406						74,406
Salaries of Other Professional Staff	69,419						69,419
Salaries of Secretarial and Clerical Assistants	19,108						19,108
Other Salaries	111,650						111,650
Personnel Services - Employee Benefits	382,801				23		382,824
Purchased Professional - Educational Services	234,344			57,451			291,795
Other Purchased Professional Services	4,228						4,228
Cleaning, Repair and Maintenance Services	160						160
Rentals	111,000						111,000
Miscellaneous Purchased Services	55,249						55,249
Supplies & Materials	25,598	345		10,341			36,284
Student Activity Disbursements	33,733						33,733
Total support services	1,209,271	345	-	67,792	23	-	1,277,431
Facilities acquisition and const. serv.:							
Buildings	-						-
Instructional Equipment	19,226						19,226
Noninstructional Equipment	4,703,235					2,093,286	6,796,521
Total facilities acquisition and const. serv.	4,722,461	-	-	-	-	2,093,286	6,815,747
Total Expenditures	7,188,171	49,701	23,437	89,050	2,415	2,096,308	9,449,082
Other Financing Sources (Uses):							
General Fund - Preschool Education Aid - Inclusion	209,895						209,895
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	105						105
Fund Balance, July 1	20,080						20,080
Fund Balance, June 30	20,185						20,185

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1c)	CR Learning Acceleration	CR Mental Health	ARP- ESSER	ARP - Accelerated Learning Coach and Educator Support	ARP- Evidence Based Summer Learning	Total Carried Forward
REVENUES							
Local Sources	72,610						72,610
State Sources	1,955,317						1,955,317
Federal Sources	44,944	150,943	21,167	4,694,735	28,600	10,065	4,950,454
Total Revenues	2,072,871	150,943	21,167	4,694,735	28,600	10,065	6,978,381
EXPENDITURES:							
Instruction:							
Salaries of Teachers	363,331	63,729				9,350	436,410
Other Salaries for Instruction	177,086						177,086
Purchased Professional - Educational Services	227,744						227,744
Other Purchased Services (400-500 series)	-						-
General Supplies	14,219	44,252		327,687			386,158
Textbooks	22,308						22,308
Other Objects	6,733						6,733
Total Instruction	811,421	107,981	-	327,687	-	9,350	1,256,439
Support services:							
Salaries of Supervisors of Instruction	83,185						83,185
Salaries of Program Directors	74,406						74,406
Salaries of Other Professional Staff	69,419						69,419
Salaries of Secretarial and Clerical Assistants	19,108						19,108
Other Salaries	111,650						111,650
Personnel Services - Employee Benefits	382,086		12,167	139,377		715	382,801
Purchased Professional - Educational Services	82,800						234,344
Other Purchased Professional Services	4,228						4,228
Cleaning, Repair and Maintenance Services	160						160
Rentals	111,000						111,000
Contracted Trans. Services (Field Trips)	4,390						4,390
Miscellaneous Purchased Services	-	26,364		285	28,600		55,249
Supplies & Materials	-	16,598	9,000				25,598
Student Activity Disbursements	33,733						33,733
Total support services	976,165	42,962	21,167	139,662	28,600	715	1,209,271
Facilities acquisition and const. serv.:							
Instructional Equipment	19,226						19,226
Noninstructional Equipment	475,849			4,227,386			4,703,235
Total facilities acquisition and const. serv.	495,075	-	-	4,227,386	-	-	4,722,461
Total Expenditures	2,282,661	150,943	21,167	4,694,735	28,600	10,065	7,188,171
Other Financing Sources (Uses):							
General Fund - Preschool Education Aid - Inclusion	209,895						209,895
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	105						105
Fund Balance, July 1	20,080						20,080
Fund Balance, June 30	20,185						20,185

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1c)	ARP- NJTSS Mental Health Support Staffing	Climate Awareness Education Grant	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	Total Carried Forward
REVENUES							
Local Sources	72,610						72,610
State Sources	1,827,416		6,600	37,856	14,196	69,249	1,955,317
Federal Sources	-	44,944					44,944
Total Revenues	1,900,026	44,944	6,600	37,856	14,196	69,249	2,072,871
EXPENDITURES:							
Instruction:							
Salaries of Teachers	363,331						363,331
Other Salaries for Instruction	177,086						177,086
Purchased Professional - Educational Services	227,744						227,744
Other Purchased Services (400-500 series)	-						-
General Supplies	14,219						14,219
Textbooks	22,308						22,308
Other Objects	133		6,600				6,733
Total instruction	804,821	-	6,600	-	-	-	811,421
Support services:							
Salaries of Supervisors of Instruction	83,185						83,185
Salaries of Program Directors	74,406						74,406
Salaries of Other Professional Staff	69,419						69,419
Salaries of Secretarial and Clerical Assistants	19,108						19,108
Other Salaries	111,650						111,650
Personnel Services - Employee Benefits	-	44,944		37,856			382,086
Purchased Professional - Educational Services	382,086						82,800
Other Purchased Professional Services	4,228						4,228
Cleaning, Repair and Maintenance Services	160						160
Rentals	111,000						111,000
Contracted Trans. Services (Field Trips)	4,390						4,390
Miscellaneous Purchased Services	-						-
Supplies & Materials	-						-
Student Activity Disbursements	33,733						33,733
Total support services	893,365	44,944	-	37,856	-	-	976,165
Facilities acquisition and const. serv.:							
Instructional Equipment	5,030				14,196		19,226
Noninstructional Equipment	406,600					69,249	475,849
Total facilities acquisition and const. serv.	411,630	-	-	-	14,196	69,249	495,075
Total Expenditures	2,109,816	44,944	6,600	37,856	14,196	69,249	2,282,661
Other Financing Sources (Uses):							
General Fund - Preschool Education Aid - Inclusion	209,895						209,895
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	105						105
Fund Balance, July 1	20,080						20,080
Fund Balance, June 30	20,185						20,185

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1e)	Nonpublic Textbooks	Chapter 192 Comp. Ed.	Chapter 192 ESL	Chapter 193 Supplemental Instruction	Chapter 193 Exam & Classification	Total Carried Forward
REVENUES							
Local Sources	72,610						72,610
State Sources	1,600,606	22,308	157,535	14,433	12,060	20,474	1,827,416
Federal Sources	-						-
Total Revenues	1,673,216	22,308	157,535	14,433	12,060	20,474	1,900,026
EXPENDITURES:							
Instruction:							
Salaries of Teachers	363,331						363,331
Other Salaries for Instruction	177,086						177,086
Purchased Professional - Educational Services	23,242		157,535	14,433	12,060	20,474	227,744
Other Purchased Services (400-500 series)	-						-
General Supplies	14,219						14,219
Textbooks	-	22,308					22,308
Other Objects	133						133
Total instruction	578,011	22,308	157,535	14,433	12,060	20,474	804,821
Support services:							
Salaries of Supervisors of Instruction	83,185						83,185
Salaries of Program Directors	74,406						74,406
Salaries of Other Professional Staff	69,419						69,419
Salaries of Secretarial and Clerical Assistants	19,108						19,108
Other Salaries	111,650						111,650
Personnel Services - Employee Benefits	382,086						382,086
Purchased Professional - Educational Services	-						-
Other Purchased Professional Services	4,228						4,228
Cleaning, Repair and Maintenance Services	160						160
Rentals	111,000						111,000
Contracted Trans. Services (Field Trips)	4,390						4,390
Miscellaneous Purchased Services	-						-
Supplies & Materials	-						-
Student Activity Disbursements	33,733						33,733
Total support services	893,365	-	-	-	-	-	893,365
Facilities acquisition and const. serv.:							
Instructional Equipment	5,030						5,030
Noninstructional Equipment	406,600						406,600
Total facilities acquisition and const. serv.	411,630	-	-	-	-	-	411,630
Total Expenditures	1,883,006	22,308	157,535	14,433	12,060	20,474	2,109,816
Other Financing Sources (Uses):							
General Fund - Preschool Education Aid - Inclusion	209,895						209,895
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	105						105
Fund Balance, July 1	20,080						20,080
Fund Balance, June 30	20,185						20,185

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2023

	Chapter 193 Corrective Speech	Preschool Education Aid	Public School Account	NJSB Safety Grant	LOWES Grant	Visions Credit Union	Total Carried Forward
REVENUES							
Local Sources			33,838	38,504	160	108	72,610
State Sources	22,692	1,577,914					1,600,606
Federal Sources							-
Total Revenues	22,692	1,577,914	33,838	38,504	160	108	1,673,216
EXPENDITURES:							
Instruction:							
Salaries of Teachers		363,331					363,331
Other Salaries for Instruction		177,086					177,086
Purchased Professional - Educational Services	22,692	550					23,242
Other Purchased Services (400-500 series)							-
General Supplies		14,111				108	14,219
Textbooks							-
Other Objects		133					133
Total instruction	22,692	555,211	-	-	-	108	578,011
Support services:							
Salaries of Supervisors of Instruction		83,185					83,185
Salaries of Program Directors		74,406					74,406
Salaries of Other Professional Staff		69,419					69,419
Salaries of Secretarial and Clerical Assistants		19,108					19,108
Other Salaries		111,650					111,650
Personnel Services - Employee Benefits		382,086					382,086
Purchased Professional - Educational Services		4,228			160		4,228
Other Purchased Professional Services							160
Cleaning, Repair and Maintenance Services							111,000
Rentals		111,000					4,390
Contracted Trans. Services (Field Trips)		4,390					-
Miscellaneous Purchased Services							-
Supplies & Materials							33,733
Student Activity Disbursements							-
Total support services	-	859,472	33,733	-	160	-	893,365
Facilities acquisition and const. serv.:							
Instructional Equipment		5,030					5,030
Noninstructional Equipment		368,096		38,504			406,600
Total facilities acquisition and const. serv.	-	373,126	-	38,504	-	-	411,630
Total Expenditures	22,692	1,787,809	33,733	38,504	160	108	1,883,006
Other Financing Sources (Uses):							
General Fund - Preschool Education Aid - Inclusion		209,895					209,895
Excess (Deficiency) of Revenues Over (Under)	-	0	105	-	-	-	105
Expenditures and Other Financing Sources (Uses)							
Fund Balance, July 1			20,080				20,080
Fund Balance, June 30	-	0	20,185	-	-	-	20,185

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2023

	District Wide Total		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of Teachers	400,639	363,331	37,308
Other Salaries for Instruction	177,267	177,086	181
Unused Vacation Payment to Terminated/Retired Staff	75,000		
Purchase Professional - Educational Services	30,000	550	29,450
Other purchased services (400-500 series)	175,000		175,000
General Supplies	50,000	14,111	35,889
Other Objects	100,000	133	99,867
Total instruction	<u>1,007,906</u>	<u>555,211</u>	<u>452,695</u>
Support services:			
Salaries of Supervisors of Instruction	83,185	83,185	
Salaries of Program Directors	89,273	74,406	14,867
Salaries of Other Professional Staff	97,560	69,419	28,141
Salaries of Secr. and Clerical Assistants	22,930	19,108	3,822
Other Salaries	131,132	111,650	19,482
Unused Vacation Payment to Terminated/Retired Staff	75,000		75,000
Personal Services - Employee Benefits	397,191	382,086	15,105
Purchased Education Services - Head Start			
Purchased Professional - Educational Services	30,000		30,000
Other Purchased Professional Services	75,000	4,228	70,772
Cleaning, Repair and Maintenance Services	87,867		87,867
Rentals	111,000	111,000	
Contracted Transportation Services (Field Trips)	25,000	4,390	20,610
Travel	5,000		5,000
Miscellaneous Purchased Services	9,346		9,346
Supplies and Materials	27,570		27,570
Other Objects	77,944		77,944
Total support services	<u>1,344,998</u>	<u>859,472</u>	<u>485,526</u>
Facility Acquisition and			
Construction Services:			
Instructional Equipment	132,475	5,030	127,445
Noninstructional Equipment	375,000	368,096	6,904
Total Facility Acquisition and			
Construction Services	<u>507,475</u>	<u>373,126</u>	<u>134,349</u>
Total Expenditures	<u><u>2,860,379</u></u>	<u><u>1,787,809</u></u>	<u><u>1,072,570</u></u>

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2023

Summary of Location Totals

Total revised 2022-23 Preschool Education Aid	1,049,475
Add: Actual Carryover (June 30, 2022)	3,335,600
Add: Budgeted Transfer from the General Fund 2022-23	<u>209,895</u>
Total Preschool Education Aid Funds Available for 2022-23 Budget	4,594,970
Less: 2022-23 Budgeted Preschool Education Aid	
(Including prior year budgeted carryover)	<u>2,860,379</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	1,734,591
Add: June 30, 2023 Unexpended Preschool Education Aid	<u>1,072,570</u>
2022-23 Carryover - Preschool Education Aid/Preschool	<u><u>2,807,161</u></u>
2022-23 Preschool Education Aid Carryover	
Budgeted for Preschool Programs 2023-24	<u><u> </u></u>

<p>PROPRIETARY FUNDS</p>

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2023

	Food Service Program	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	96,158	96,158
Interfund receivable	6,909	6,909
Accounts receivable:		
State	1,031	1,031
Federal	36,541	36,541
Total current assets	<u>140,639</u>	<u>140,639</u>
Noncurrent assets:		
Capital assets:		
Equipment	93,031	93,031
Less accumulated depreciation	<u>(61,057)</u>	<u>(61,057)</u>
Total capital assets (net of accumulated depreciation)	<u>31,974</u>	<u>31,974</u>
Total assets	<u>172,613</u>	<u>172,613</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	<u>35,542</u>	<u>35,542</u>
Total Liabilities	<u>35,542</u>	<u>35,542</u>
NET POSITION		
Net Investment in Capital Assets	31,974	31,974
Unrestricted	<u>105,097</u>	<u>105,097</u>
Total net position	<u><u>137,071</u></u>	<u><u>137,071</u></u>

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2023

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales-reimbursable programs	3,460	3,460
Total operating revenues	<u>3,460</u>	<u>3,460</u>
Operating expenses:		
Cost of sales-reimbursable programs	544,940	544,940
Supplies and materials	46,161	46,161
Depreciation	3,670	3,670
Total Operating Expenses	<u>594,771</u>	<u>594,771</u>
Operating income (loss)	<u>(591,311)</u>	<u>(591,311)</u>
Nonoperating revenues (expenses):		
State sources:		
School lunch program	10,446	10,446
School breakfast after the bell	1,186	1,186
School breakfast program	445	445
Federal sources:		
School lunch program	396,294	396,294
School breakfast program	35,073	35,073
Summer food service program	16,101	16,101
Interest Income	263	263
Total nonoperating revenues (expenses)	<u>459,808</u>	<u>459,808</u>
Income (loss) before contributions & transfers	<u>(131,503)</u>	<u>(131,503)</u>
Total net position—beginning	268,574	268,574
Total net position—ending	<u><u>137,071</u></u>	<u><u>137,071</u></u>

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2023

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	3,460	3,460
Payments to suppliers	(594,794)	(594,794)
Net cash provided by (used for) operating activities	<u>(591,334)</u>	<u>(591,334)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	12,434	12,434
Federal Sources	470,589	470,589
Prior Year Interfund	74,418	74,418
Net cash provided by (used for) non-capital financing activities	<u>557,441</u>	<u>557,441</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(35,078)	(35,078)
Net cash used for capital and related financing activities	<u>(35,078)</u>	<u>(35,078)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	263	263
Net cash provided by (used for) investing activities	<u>263</u>	<u>263</u>
Net increase (decrease) in cash and cash equivalents	<u>(68,708)</u>	<u>(68,708)</u>
Balances—beginning of year	164,866	164,866
Balances—end of year	<u>96,158</u>	<u>96,158</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(591,311)	(591,311)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	3,670	3,670
Increase (decrease) in accounts payable	(3,693)	(3,693)
Total adjustments	<u>(23)</u>	<u>(23)</u>
Net cash provided by (used for) operating activities	<u>(591,334)</u>	<u>(591,334)</u>

LONG-TERM DEBT

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2023

	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
- J-3 Fund Balances - Governmental Funds
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- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
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Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
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Demographic and Economic Information

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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 annual comprehensive financial reports (ACFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; 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)

	2014	2015	2016	2017	2018	Restated 2019	2020	2021	Restated 2022	2023
Governmental activities										
Net investment in capital assets	\$ 3,727,754	\$ 4,278,874	\$ 4,107,255	\$ 3,996,197	\$ 3,894,729	\$ 3,732,246	\$ 4,598,744	\$ 4,645,542	\$ 5,898,976	\$ 11,014,022
Restricted	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	32,255,510
Unrestricted	(685,892)	(4,226,336)	(4,367,207)	(4,908,486)	(5,245,331)	(5,436,352)	(5,389,860)	(4,926,852)	(5,244,225)	(5,942,389)
Total governmental activities net assets/position	\$ 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	\$ 37,327,143
Business-type activities										
Net investment in capital assets	\$ 17,514	\$ 13,382	\$ 9,321	\$ 6,292	\$ 4,297	\$ 1,055	\$ 892	\$ 729	\$ 566	\$ 31,974
Restricted	47,235	58,879	87,950	116,594	46,199	65,730	72,049	109,175	268,008	105,097
Unrestricted	\$ 64,749	\$ 72,261	\$ 97,271	\$ 122,886	\$ 50,496	\$ 66,785	\$ 72,941	\$ 109,904	\$ 268,574	\$ 137,071
Total business-type activities net assets/position										
District-wide										
Net investment in capital assets	\$ 3,745,268	\$ 4,292,256	\$ 4,116,576	\$ 4,002,489	\$ 3,899,026	\$ 3,733,301	\$ 4,599,636	\$ 4,646,271	\$ 5,899,542	\$ 11,045,996
Restricted	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	32,255,510
Unrestricted	(638,657)	(4,167,457)	(4,279,257)	(4,791,892)	(5,199,132)	(5,370,622)	(5,317,811)	(4,817,677)	(4,976,217)	(5,837,292)
Total district net assets/position	\$ 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	\$ 37,464,214

Source: ACFR 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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 5,654,807
Special education	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	4,014,053
Other special education	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	938,789
Other instruction	40,468	55,423	55,925	65,993	66,700	64,507	54,718	11,934	42,139	44,596
Support Services:										
Tuition	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	12,536,256
Student & instruction related services	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	3,765,727
General administrative services	650,907	738,929	631,519	580,381	558,201	522,724	583,289	683,816	726,039	694,776
School administrative services	711,639	892,615	936,880	1,087,819	1,049,923	1,128,536	1,178,699	1,078,110	530,860	849,919
Central Administration	608,662	740,156	799,532	698,744	632,288	781,745	743,736	725,682	864,488	928,275
Plant operations and maintenance	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	1,688,541
Pupil transportation	365,833	394,459	515,194	608,507	580,740	677,407	514,702	673,390	835,336	872,813
Unallocated Benefits	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	4,377,969
Allocated Benefits					79,739	43,387	83,738	25,000	26,620	
Special Schools	21,000	21,000	18,118	22,000		27,563	28,445	26,197	10,886	
Charter Schools				6,509	7,811					
Interest on long-term debt	21,128	15,561	9,883	5,642	1,725					23,355
Unallocated depreciation	322,405	245,381	249,241	238,089	215,271	190,272	184,210	311,661	222,404	404,897
Amortization & Capital Lease Obligations	2,333	2,333	2,333	2,333	2,335					176,292
Capital Outlay - nondepreciable	5,480		565,265	39,647	36,647	11,409	164,642	280,593	105,434	147,168
Total governmental activities expenses	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	37,118,233
Business-type activities:										
Food service	389,471	329,670	296,625	296,053	380,243	298,565	332,314	344,613	548,625	594,771
Total business-type activities expense	389,471	329,670	296,625	296,053	380,243	298,565	332,314	344,613	548,625	594,771
Total district expenses	\$ 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	\$ 37,713,004
Program Revenues										
Governmental activities:										
Charges for services:										
Student & instruction related services								\$ 9,329	\$ 44,333	\$ 33,838
Operating grants and contributions	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	3,428,185
Total governmental activities program revenues	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	3,462,023

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Charges for services										
Food service	31,041	10,005	20,278	14,336	24,080	25,736	15,921			3,460
Operating grants and contributions	362,183	317,090	297,822	304,779	283,701	290,314	322,485	381,493	707,169	459,545
Total business-type activities program revenues	393,224	327,095	318,100	319,115	307,781	316,050	338,406	381,493	707,169	463,005
Total district program revenues	\$ 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	\$ 3,925,028
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (33,656,210)
Business-type activities	3,753	(2,575)	21,475	23,062	(72,462)	17,485	6,092	36,880	158,544	(131,766)
Total district-wide net expense	\$ (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)	\$ (33,787,976)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 16,213,902
Taxes levied for debt service	272,945	84,948	80,924	81,757	82,300	82,300				
Unrestricted grants and contributions	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	28,892,661
Tuition from Summer School	13,050	10,530	11,040	7,400						
Investment earnings	3,457	2,955	3,250	3,654	3,792	5,298	7,482	12,444	20,412	40,953
Miscellaneous income	86,618	354,499	32,403	27,596	60,610	46,708	23,590	126,604	35,531	6,933
State Aid- Restricted for Debt Service	46,342							647,739		5,351,498
State Aid - Capital Outlay Facilities Grant		213,958								
Transfers	(4,799)	(10,044)	(3,476)	(2,500)						
Federal and State Aid - Capital outlay	5,480	8,954	15,018	39,647	36,647	19,705	94,688	415,885		
Total governmental activities	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	50,505,947
Business-type activities:										
Investment earnings	49	43	59	53	72	50	64	83	126	263
Miscellaneous Income	2,059									
Transfers	4,799	10,044	3,476	2,500						
Total business-type activities	6,907	10,087	3,535	2,553	72	50	64	83	126	263
Total district-wide	\$ 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	\$ 50,506,210
Change in Net Assets/Position										
Governmental activities	\$ 848,415	\$ 406,088	\$ (902,735)	\$ (806,549)	\$ (1,200,304)	\$ 3,141,014	\$ 2,818,070	\$ 5,072,910	\$ 9,840,667	\$ 16,849,737
Business-type activities	10,660	7,512	25,010	25,615	(72,390)	17,535	6,156	36,963	158,670	(131,503)
Total district	\$ 859,075	\$ 413,600	\$ (877,725)	\$ (780,934)	\$ (1,272,694)	\$ 3,158,549	\$ 2,824,226	\$ 5,109,873	\$ 9,999,337	\$ 16,718,234

Source: ACFR 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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved										
Unreserved										
Restricted	1,960,447	972,239	1,074,007	528,374	389,335	3,216,279	5,312,995	10,115,794	18,679,142	30,279,251
Committed										
Assigned	606,727	700,997	525,011	916,431	293,481	891,837	700,201	478,675	1,061,212	1,893,958
Unassigned	(149,277)	(93,221)	(85,695)	(40,308)	(182,410)	(469,144)	(444,820)	(39,865)	(182,935)	(1,549,468)
Total general fund	\$ 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	\$ 30,623,741
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund								15,898	20,080	20,185
Assigned, reported in:										
Capital projects fund		757,305	241,279	241,279	241,279	241,279	241,279	241,279	241,279	82,301
Debt service fund	3	1	1	1	1	82,301	82,301	82,301	82,301	82,301
Total all other governmental funds	\$ 3	\$ 757,306	\$ 241,279	\$ 241,280	\$ 241,280	\$ 323,580	\$ 323,580	\$ 339,478	\$ 102,381	\$ 102,486

Source: ACFR Schedule B-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 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	\$ 16,213,902
Tuition from Summer School	13,050	10,530	11,040	7,400						
Interest earnings	3,457	2,955	3,250	3,654	3,792	5,298	7,482	12,444	20,412	40,953
Miscellaneous	86,618	359,499	32,403	27,596	60,610	46,708	23,590	135,933	84,288	42,825
State sources	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	32,211,371
Federal sources	1,558,131	1,274,579	1,542,819	1,253,470	1,497,902	1,450,425	1,339,138	2,273,912	2,595,145	6,929,244
Total revenue	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	55,438,295
Expenditures										
Instruction										
Regular instruction	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	5,140,729
Special education instruction	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	3,833,371
Other special instruction	801,680	630,001	715,998	879,562	1,110,860	778,542	976,700	728,360	676,661	844,478
Other instruction	33,203	41,045	37,565	40,531	43,469	45,321	40,214	8,737	39,554	40,408
Support Services:										
Instruction	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	12,536,256
Attendance and social work services	201,270	192,213	169,520	156,790	174,522	189,293	179,949	195,368	213,975	230,446
Health Services	216,225	231,111	225,850	198,923	241,912	287,874	309,610	334,233	429,199	545,315
Student & instruction related services	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	2,789,983
General administrative services	641,438	734,970	528,710	430,584	433,647	424,566	488,322	552,999	513,536	655,030
School Administrative services	520,984	514,540	616,220	658,583	675,628	771,419	831,829	771,493	669,325	764,536
Central administrative services	492,169	530,862	545,883	446,157	456,642	549,204	536,400	522,421	807,853	839,598
Plant operations and maintenance	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	1,670,835
Pupil transportation	364,070	303,807	418,965	491,627	486,013	596,206	481,814	615,392	811,606	854,084
Allocated employee benefits				79,739	79,739	43,387	83,738	25,000	26,620	
Unallocated employee benefits	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	3,184,675
TPAF Pension / Social Security	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	4,409,031
Summer School Instruction	21,000	21,000	18,118	22,000						
Charter Schools				6,509	7,811	27,563	28,445	26,197	10,886	
Capital outlay	5,480	824,665	565,265	39,647	36,647	19,705	1,033,382	601,818	647,739	5,791,463
Debt service:										
Principal	295,300	70,000	70,000	75,000	80,000					219,262
Interest and other charges	23,989	14,950	10,925	6,756	2,300					22,368
Total expenditures	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	44,371,868
Excess (Deficiency) of revenues over (under) expenditures	766,346	(193,250)	(613,464)	(106,325)	(904,091)	3,220,866	1,929,404	4,983,957	8,765,718	11,066,427
Other Financing sources (uses)										
Capital leases (non-budgeted)										
Transfers in										209,895
Transfers out	(4,799)	(1,234,700)	(3,476)	(2,500)					(637,968)	(209,895)
Total other financing sources (uses)	(4,799)	114,314	30,745	(2,500)	-	-	-	-	-	-
Net change in fund balances	\$ 761,547	\$ (78,936)	\$ (582,719)	\$ (108,825)	\$ (904,091)	\$ 3,220,866	\$ 1,929,404	\$ 4,983,957	\$ 8,765,718	\$ 11,066,427
Debt service as a percentage of noncapital expenditures	1.4%	0.3%	0.3%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.6%

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: ACFR 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	Cancellations	Misc.	Total
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
2023	40,953	363			6,570	47,886

Source: District Records

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

Year Ended Dec. 31,	Vacant Land	Residential	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
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	\$ 1,457,297,489	99.42%
2022	\$ 10,336,900	\$ 951,811,800	\$ 246,842,000	\$ 116,781,700	\$ 223,133,300	\$ 1,548,905,700	\$ -	\$ 1,556,645	\$ 1,550,462,345	1.046	\$ 1,568,089,302	98.88%
2023	\$ 10,548,200	\$ 1,019,294,400	\$ 256,686,700	\$ 128,643,000	\$ 227,108,400	\$ 1,642,280,700	\$ -	\$ 1,576,928	\$ 1,643,857,628	0.986	\$ 1,642,280,700	100.10%

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			
2014	1.269	0.026	1.329	0.245	2.869
2015	1.307	0.008	1.352	0.252	2.919
2016	1.382	0.008	1.411	0.280	3.081
2017	1.496	0.008	1.439	0.317	3.260
2018	1.564	0.008	1.476	0.318	3.366
2019	1.551	0.000	1.482	0.323	3.356
2020	1.176	0.000	1.159	0.252	2.587
2021	1.119	0.000	1.108	0.252	2.479
2022	1.046	0.000	1.035	0.244	2.325
2023	0.986	0.000	1.028	0.247	2.261

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy .

The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, which ever is greater, plus any pending growth adjustments.

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

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

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

Taxpayer	2023				2015			
	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	\$ 32,500,000	1	1.98%					
Fairview Industrial PK. Controller	\$ 29,900,000	2	1.82%		\$ 14,000,000	2	1.35%	
Cliff Investments LP NJ	\$ 28,634,800	3	1.74%					
Fairview SPE LLC	\$ 26,137,000	4	1.59%					
Ronald Realty, Co, LLC, NJ	\$ 20,252,800	5	1.23%		\$ 12,713,500	3	1.23%	
HLF Passaic, C/O Ryan LLC	\$ 17,164,700	6	1.04%					
RLF IV East LLC	\$ 11,372,200	7	0.69%					
Store Space QR Fairview LP	\$ 9,569,000	8	0.58%					
Fairview Bergen Property, LLC	\$ 7,681,400	9	0.47%		\$ 7,117,900	5	0.69%	
Vail Development LLC	\$ 6,968,400	10	0.42%					
Fairview Associated 94, L.P					\$ 17,800,500	1	1.72%	
HLF Passaic 2005 LLC					\$ 11,829,700	4	1.14%	
Bonanno, Real Estate Group II, L.P					\$ 7,100,000	6	0.68%	
Waste Management of NJ					\$ 6,000,000	7	0.58%	
Babaci, LLC					\$ 5,475,600	8	0.53%	
Bonanno Real Estate Group I, L.P					\$ 4,846,200	9	0.47%	
Sheridan Realty Company					\$ 4,840,800	10	0.47%	
Total	<u>\$ 190,180,300</u>		<u>11.57%</u>		<u>\$ 91,724,200</u>		<u>8.84%</u>	
Net Assessed Valuation:				\$ 1,643,857,628	\$ 1,037,224,673			

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	
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%	\$ -
2023	\$16,213,902	\$14,862,749	91.67%	\$ 1,351,153

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		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds/Loans ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases		
2014	295,000	-	-	-	-	25.05%	\$ 73,883
2015	225,000	-	106,866	-	-	23.30%	\$ 77,323
2016	155,000	-	96,911	-	-	31.30%	\$ 78,836
2017	80,000	-	42,547	-	-	66.12%	\$ 81,024
2018	-	-	6,409	-	-	1329.24%	\$ 85,191
2019	-	-	-	-	-	0.00%	\$ 88,241
2020	-	-	-	-	-	0.00%	\$ 91,972
2021	-	-	-	-	-	0.00%	\$ 97,343
2022	-	-	-	-	-	0.00%	Not Available
2023	-	-	-	-	-	0.00%	Not Available

Source: District ACFR 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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
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%	\$ -
2023	\$ -		-	0.00%	\$ -

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

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, 2023**

<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, 2023			\$ -
Net overlapping debt of School District:			
Borough of Fairview	100.000%	\$ 24,446,562	
County of Bergen - City's Share	0.887%	\$ 8,652,262	
Bergen County Utility Authority-City's Share	2.079%	\$ 1,757,643	
Subtotal, overlapping debt			<u>\$ 34,856,467</u>
Total direct and overlapping debt			<u><u>\$ 34,856,467</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis									
	2022	\$	1,568,089,302						
	2021	\$	1,457,297,489						
	2020	\$	1,400,166,330						
	<u>[A]</u> \$ 2,857,463,819								
Average equalized valuation of taxable property	<u>[A/3]</u> \$ 952,487,940								
Debt limit (3% of average equalization value)	<u>[B]</u> 28,574,638 ^a								
Net bonded school debt	<u>[C]</u> -								
Legal debt margin	<u>[B-C]</u> \$ 28,574,638								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	23,537,793	22,452,548	22,007,207	23,477,324	24,388,931	25,186,201	26,584,504	27,313,119	28,676,565
Total net debt applicable to limit	2,017	2,018	2,019	2,020	2,021	2,021	-	-	-
Legal debt margin	\$ 23,535,776	\$ 22,450,530	\$ 22,005,188	\$ 23,475,304	\$ 24,386,910	\$ 25,184,180	\$ 26,584,504	\$ 27,313,119	\$ 28,676,565
Total net debt applicable to the limit as a percentage of debt limit	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%

Source: Abstract of Ratables and District Records ACFR Schedule J-6

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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	\$ 1,452,746,932	97,343	5.80%
2022	\$ 14,893	Not Available	Not Available	3.40%
2023	Not Available	Not Available	Not Available	Not Available

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

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

Employer	2023		2014	
	Employees	Rank (Optional)	Percentage of Total Employment	Rank (Optional)
			Employees	Percentage of Total Employment

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

Source: Borough of Fairview

** Data was only provided for years noted

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	61	69	69	69	77	78	78	88	90	91
Special education	24	27	27	30	27	24	27	22	27	32
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	13	13	14	14	14	14	14	34	39	42
General administrative services	5	5	5	5	6	5	5	8	10	10
School administrative services	6	6	7	8	7	8	5	7	9	8
Business administrative services	5	5	5	5	5	5	7	4	4	4
Plant operations and maintenance	6	7	7	7	5	7	10	7	9	7
Pupil transportation	3	5	5	5	5	5	4	3	3	4
Total	123	137	139	143	146	146	150	173	191	198

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				
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		1,532	1,418	0.99%	92.56%
2023	1,662	37,974,669	22,849	-2.97%	123	1:13		1,594	1,363	4.05%	85.51%

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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<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	55,080	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	602	592	616	670	664	700	598	595	605	667
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	213	220	196	216	229	252	238	257	244	168
Number 3 School										
Square Feet	23,372	23,372	23,372	23,372	23,372	23,372	23,372	30,568	30,570	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	455	484	489	506	536	539	474	680	436	705

Number of Schools at June 30, 2023

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)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Lincoln School	N/A	91,657	86,654	70,788	116,528	97,513	71,803	72,609	107,769	103,766	108,189
Annex	N/A	23,995	23,231	7,224	24,725	3,697	4,272	22,623	4,579	14,135	9,461
School No. 3	N/A	47,810	29,509	58,812	28,964	20,049	10,464	9,855	19,524	7,826	9,500
Total School Facilities		163,462	139,394	136,824	170,217	121,259	86,539	105,087	131,872	125,727	127,150
Other Facilities											
Grand Total		\$ 163,462	\$ 139,394	\$ 136,824	\$ 170,217	\$ 121,259	\$ 86,539	\$ 105,087	\$ 131,872	\$ 125,727	\$ 127,150

**Fairview Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2023
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}

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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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 22, 2023.

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.

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 November 22, 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

November 22, 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, 2023. 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, 2023.

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.

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, 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.

Honorable President and
Members of the Board of Education

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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. Wielkottz

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

Wielkottz & Company, LLC

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

November 22, 2023

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

Year ended June 30, 2023

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, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2023		
												(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund:														
National School Lunch Program	10.555	231NJ304N1099	N/A	7/1/22-6/30/23	\$ 396,294	(54,686)		363,132	396,294			(33,162)		
National School Lunch Program SSO	10.555	221NJ304N1099	N/A	7/1/21-6/30/22	585,728			54,686						
National Breakfast Program	10.553	231NJ304N1099	N/A	7/1/22-6/30/23	35,073			31,694	35,073			(3,379)		
National Breakfast Program SSO	10.553	221NJ304N1099	N/A	7/1/21-6/30/22	47,516	(3,426)		3,426						
Summer Food Service Program	10.559	221NJ304N1099	N/A	7/1/22-6/30/23	16,101			16,101	16,101					
Summer Food Service Program	10.559	211NJ304N1099	N/A	7/1/21-6/30/22	56,909	(1,550)		1,550						
Total U.S. Department of Agriculture						(59,662)		470,589	447,468			(36,541)		
U.S. Department of Education General Fund:														
Medical Administrative Claiming (MAC	93.778	200SNJ5MAP	N/A	7/1/22-6/30/23	21,005			21,005	21,005					
Medical Assistance Program (SEMI)	93.778	200SNJ5MAP	N/A	7/1/22-6/30/23	102,240			102,240	102,240					
FFCRA/SEMI Revenue	93.778	200SNJ5MAP	N/A	7/1/22-6/30/23	5,027			5,027	5,027					
Total General Fund								128,272	128,272					
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund:														
Title I Part A, Improving Basic Programs	84.010	S010A220030	ESEA-1470-23	7/1/22-9/30/23	905,499	(476,751)	(476,751)	1,071,284	947,446			(352,913)		
Title I Part A, Improving Basic Programs	84.010	S010A210030	ESEA-1470-22	7/1/21-9/30/22	803,424									
Title I, SIA	84.010	S010A220030	ESEA-1470-23	7/1/22-9/30/23	54,500				52,055		588	(52,055)		
Title I, Part A, Reallocation	84.010	S010A200030	ESEA-1470-21	7/1/20-9/30/21	42,571	588					588			
						(476,163)		1,071,284	999,501		588	(404,968)		
I.D.E.A. Part B	84.027A	H027A220100	IDEA-1470-23	7/1/22-9/30/23	506,667	(105,021)	(105,021)	651,397	486,861				59,515	
I.D.E.A. Part B	84.027A	H027A210100	IDEA-1470-22	7/1/21-9/30/22	459,822	(105,021)								
I.D.E.A. Part B Preschool	84.173A	H173A220114	IDEA-1470-23	7/1/22-9/30/23	13,255			10,000	12,507			(2,507)		
ARP - I.D.E.A. Part B	84.027X	H027X210100	IDEA-1470-22	7/1/21-9/30/22	101,052	(6,380)				4,000		(2,380)		
ARP - I.D.E.A. Part B Preschool	84.173X	H173X210114	IDEA-1470-22	7/1/21-9/30/22	8,580									
						(111,401)		661,397	499,368			(4,887)	59,515	
Title II Part A	84.367A	S367A220029	ESEA-1470-23	7/1/22-9/30/23	105,784	(17,104)	(17,104)	54,026	51,756			(14,834)		
Title II Part A	84.367A	S367A210029	ESEA-1470-22	7/1/21-9/30/22	87,960	(17,104)	17,104							
						(17,104)		54,026	51,756			(14,834)		
Title III	84.365A	S365A220030	ESEA-1470-23	7/1/22-9/30/23	63,101	(43,800)	(43,800)	60,081	49,701			(33,420)		
Title III	84.365A	S365A210030	ESEA-1470-22	7/1/21-9/30/22	59,740	(43,800)								
Title III, Immigrant	84.365A	S365A220030	ESEA-1470-23	7/1/22-9/30/23	35,513	(2,147)	(2,147)	17,109	23,437	1,179		(7,296)		
Title III, Immigrant	84.365A	S365A210030	ESEA-1470-22	7/1/21-9/30/22	21,555	(2,147)	2,147							
						(45,947)		77,190	73,138	1,179		(40,716)		
Title IV	84.424	S424A220031	ESEA-1470-23	7/1/22-9/30/23	68,930	(69,216)	(69,216)	136,171	89,050			(22,095)		
Title IV	84.424	S424A210031	ESEA-1470-22	7/1/21-9/30/22	59,791	(69,216)	69,216							
						(69,216)		136,171	89,050			(22,095)		

**FAIRVIEW
BOARD OF EDUCATION**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

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, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2023		
												(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	(26,936)		17,292	2,415	12,059				
CRRSA - ESSER II	84.425D	S425D210027		3/13/20-9/30/23	2,684,950	(52,172)		2,111,327	2,096,308			(37,153)		
CR Learning Acceleration	84.425D	S425D210027		3/13/20-9/30/23	172,307			125,118	150,943			(25,825)		
CR Mental Health	84.425D	S425D210027		3/13/20-9/30/23	45,000			9,667	21,167			(11,500)		
American Rescue Plan														
ARP - ESSER	84.425U	S425U210027		3/13/20-9/30/23	6,034,253			2,962,497	4,694,735			(1,732,238)		
Accelerated Learning Coach and Educator Support	84.425U	S425U210027		3/13/20-9/30/23	246,787			28,600						
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027		3/13/20-9/30/23	40,000			10,065	10,065					
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			44,944				(44,944)		
						(79,108)		5,264,566	7,049,177	12,059		(1,851,660)		
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
COVID Relief Fund	21.019	S425D200027		3/1/20-12/31/21	229,597	4,530					4,530			
						4,530					4,530			
Passed through the County of Bergen:														
COVID Relief Fund	21.019	S425D200027		3/1/20-12/31/21	188,769	1,222					1,222			
						1,222					1,222			
Total Special Revenue Fund						(793,187)		7,264,634	8,761,990	17,238	6,340	(2,339,160)	59,515	
Total Federal Financial Assistance						\$ (852,849)		7,863,495	9,337,730	17,238	6,340	(2,375,701)	59,515	

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, 2023

		Balance at June 30, 2022				Balance at June 30, 2023				MEMO							
State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures Pass-through Funds	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:	General Fund:																
	Equalization Aid	495-034-5120-078	7/1/22-6/30/23	23,175,844			20,938,901	23,175,844							(2,236,943)	23,175,844	
	Security Aid	495-034-5120-084	7/1/21-6/30/22	721,266			651,649	721,266							(69,617)	721,266	
	Special Education Aid	495-034-5120-089	7/1/21-6/30/22	1,748,955			1,580,145	1,748,955							(168,810)	1,748,955	
	Transportation Aid	495-034-5120-014	7/1/21-6/30/22	159,545			144,146	159,545							(15,399)	159,545	
	Lead Testing for Schools Aid	495-034-5120-104	7/1/22-6/30/23	3,340			3,340	3,340								3,340	
	NTE Homeless Reimbursement	100-029-6060-034	7/1/22-6/30/23	191,562				191,562					(191,562)			191,562	
	Extraordinary Aid	100-029-6060-034	7/1/21-6/30/22	3,379	(3,379)		3,379	3,379								3,379	
	Reimbursed TPAF Social Security	495-034-5120-044	7/1/22-6/30/23	318,313				318,313					(318,313)			318,313	
	Reimbursed TPAF Social Security	495-034-5120-044	7/1/21-6/30/22	657,465	(657,465)		657,465	657,465								657,465	
	On-Behalf TPAF - Post Retirement Medical	495-034-5094-003	7/1/22-6/30/23	728,678			728,678	728,678					(34,381)			639,070	
	On-Behalf TPAF Pension	495-034-5094-001	7/1/21-6/30/22	639,070	(31,361)		31,361	639,070								639,070	
	On-Behalf TPAF NCCI Premium	495-034-5094-002	7/1/22-6/30/23	765,323			765,323	765,323								2,873,459	
	On-Behalf TPAF - LTDI	495-034-5094-004	7/1/22-6/30/23	2,873,459			2,873,459	2,873,459								39,866	
		7/1/22-6/30/23	39,866			39,866	39,866								1,705		
		7/1/22-6/30/23	1,705				1,705									32,027,770	
				(692,205)			28,385,036	30,727,856				(544,256)			(2,490,769)		
Special Revenue Fund:	Preschool Education Aid	495-034-5120-086	7/1/22-6/30/23	1,049,475			944,528	1,577,914					2,702,214			1,586,284	
	Preschool Education Aid	495-034-5120-086	7/1/21-6/30/22	2,265,615	3,109,038	3,335,000	226,562	22,308							(104,947)	522,654	
	Nonpublic Text Chapter 194	100-034-5120-064	7/1/22-6/30/23	22,308			22,308	22,308			5					22,308	
	Nonpublic Text Chapter 194	100-034-5120-064	7/1/21-6/30/22	20,647												20,642	
	Nonpublic Security Grant	100-034-5120-509	7/1/22-6/30/23	69,290			69,290	69,249								69,248	
	Nonpublic Security Grant	100-034-5120-509	7/1/21-6/30/22	60,200		311				770	311			41		59,889	
	Chapter 192 - Compensatory Education	100-034-5120-067	7/1/22-6/30/23	168,013			168,013	157,535								157,535	
	Chapter 192 - Compensatory Education	100-034-5120-067	7/1/21-6/30/22	120,395		11,555					11,555			10,478		108,840	
	Chapter 192 - ESL	100-034-5120-067	7/1/22-6/30/23	22,050			22,050	14,433								14,433	
	Chapter 192 - ESL	100-034-5120-067	7/1/21-6/30/22	29,232		18,087					18,087					11,145	
	Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/22-6/30/23	15,694			15,694	12,060								12,060	
	Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/21-6/30/22	21,476		11,977					11,977					9,499	
	Chapter 193 - Examination and Classification	100-034-5120-066	7/1/22-6/30/23	34,123			34,123	20,474								20,474	
	Chapter 193 - Examination and Classification	100-034-5120-066	7/1/21-6/30/22	32,224		20,281					20,281					11,943	
Enterprise Fund:	Chapter 193 - Corrective Speech	100-034-5120-066	7/1/22-6/30/23	31,620			31,620	22,692								22,692	
	Chapter 193 - Corrective Speech	100-034-5120-066	7/1/21-6/30/22	24,180		9,207				9,207						14,973	
	Nonpublic Nursing	100-034-5120-070	7/1/22-6/30/23	37,856			37,856	37,856								37,856	
	Non Public Technology Grant	100-034-5120-373	7/1/22-6/30/23	14,196			14,196	14,196								14,196	
	Non Public Technology Grant	100-034-5120-373	7/1/21-6/30/22	14,448		48					48					14,400	
	School Security Grant	20E06002	7/1/20-6/30/22	75,198	(39,912)								(39,912)			39,912	
	Climate Awareness Education Grant Program	23-WB01-G02	4/1/23-6/30/23	6,660				6,600					(6,600)			6,600	
	Total Special Revenue Fund				3,069,126	71,471	1,586,240	1,955,317		770	71,471	(46,512)	2,702,214	45,117	(104,947)	2,777,583	
	Enterprise Fund:	National School Lunch Program (State Share)	100-010-3350-023	7/1/22-6/30/23	10,446			9,563	10,446				(883)				10,446
		National School Lunch Program SSO (State Share)	100-010-3350-023	7/1/21-6/30/22	13,881	(1,388)		1,388	1,388								13,881
		Breakfast After the Bell	100-010-3350-023	7/1/22-6/30/23	1,186			1,079	1,186				(107)				1,186
		National School Breakfast Program (State Share)	100-010-3350-023	7/1/22-6/30/23	445			404	445				(41)				445
	Total Enterprise Fund				(1,388)			12,434	12,077				(1,031)				25,958
					2,375,533	71,471	29,983,710	32,695,250		770	71,471	(591,799)	2,702,214	45,117	(2,595,716)	34,831,311	
Total State Financial Assistance																	
Less: On-Behalf TPAF Pension System Contributions																	
On Behalf TPAF - Post Retirement Medical																	
On Behalf TPAF Pension																	
On Behalf TPAF NCCI Premium																	
On-Behalf TPAF - LTDI																	
Total State Financial Assistance for Major Program Determination																	

FAIRVIEW
BOARD OF EDUCATION
Schedule of Expenditures of State Awards and Other Local Awards
Year ended June 30, 2023

State/Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Carryover Amount	Cash Received	Budgetary Expenditures Pass through Funds	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO	
				Deferred Revenue (Accts Receivable)	Due to Grantor	Deferred Revenue/ Interfund Payable							(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Special Revenue Fund:																
LOWES Grant	N/A	7/1/16-6/30/17	5,000	160				160							*	5,000
Visions Credit Union	N/A	7/1/16-6/30/17	500	108				108							*	500
BCLA - EAC Grant	N/A	7/1/19-6/30/20	4,000	4,000									4,000		*	
NSBSafety Grant	N/A	7/1/22-6/30/23	21,107				21,107	18,295					2,812		*	18,295
NSBSafety Grant	N/A	7/1/21-6/30/22	8,980	8,980				6,968					2,012		*	6,968
NSBSafety Grant	N/A	7/1/20-6/30/21	8,033	8,033				8,033							*	8,033
NSBSafety Grant	N/A	7/1/19-6/30/20	7,985	5,207				5,207							*	7,985
Total Local Sources				26,488			21,107	38,771					8,824		*	46,781
Total State and Local Financial Assistance			\$	2,402,021	71,471		30,004,817	32,734,021		770	71,471	(591,799)	2,711,038	45,117	(2,595,716)	34,878,092

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 (\$493,143) for the general fund and (\$1,976,396) 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	\$128,272	\$30,234,714	\$30,362,986
Special Revenue Fund	6,800,972	1,976,657	8,777,629
Food Service Fund	<u>447,468</u>	<u>12,077</u>	<u>459,545</u>
Total Awards and Financial Assistance	<u>\$7,376,712</u>	<u>\$32,223,448</u>	<u>\$39,600,160</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, 2023. 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, 2023.

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 \$3,680,353 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>	\$999,501
Title II, Part A: <i>Supporting Effective Instruction</i>	51,756
Title III: <i>English Language Acquisition State Grants</i>	73,138
Title IV: <i>Student Support and Academic Enrichment</i>	<u>89,050</u>
Total	<u>\$1,213,445</u>

**FAIRVIEW BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted? yes X no

Federal 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 on compliance for major programs: unmodified

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

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)	<u>S425D210027/ S425U210027</u>	<u>CARES-ESSER I/ CRRSA-ESSER II/ CR Learning Acceleration/CR Mental Health/ APR-ESSER</u>
<u>10.555/10.553/10.559</u>	(B)	<u>221NJ304N1099</u>	<u>National School Lunch Program/ School Breakfast Program/ Summer Food Service Program for Children</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, 2023
(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? yes X none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? yes X 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)	State Aid Public Cluster: Equalization Aid/Special Education Categorical Aid/Security Aid
<u>495-034-5120-086</u> (A)	<u>Preschool Education Aid</u>
<u>100-010-3350-086</u> (B)	National School Lunch Program/ National School Breakfast Program

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

**FAIRVIEW BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

Section II – Financial Statement Findings

None

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

FEDERAL AWARDS

None

STATE AWARDS

None

**FAIRVIEW BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Status of Prior Year Findings

Finding 2022-001

Condition:

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

Current Status:

Corrective action has been taken.

Finding 2022-002

Condition:

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

Current Status:

The current year Annual Report was submitted in a timely manner.

Finding 2022-003

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.

Current Status:

No errors were noted in the current year.