

**BOARD OF EDUCATION
OF THE
TOWNSHIP OF FAIRFIELD
SCHOOL DISTRICT
FAIRFIELD, NEW JERSEY**



Fairfield Township School

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

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INTRODUCTORY SECTION

FAIRFIELD TOWNSHIP PUBLIC SCHOOLS
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Dr. Ja'Shanna Jones-Booker
Superintendent/Principal

Dr. Sean R. McCarron
Business Administrator

March 18, 2025

Honorable President and
Members of the Fairfield Township
Board of Education
Cumberland County, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report of the Fairfield Township Public School District for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to understand the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the general-purpose financial statements and schedules and the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented multi-yearly. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB,, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Fairfield Township Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by Statement No. 14. All major funds of the District are included in this report. The Fairfield Township Board of Education constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and special education for handicapped youngsters. The District completed the 2023-2024 fiscal year with a June enrollment of 528 students, an increase of 12 students from the previous year's enrollment of 516. The following details the changes in the District's student enrollment over the last ten years.

June 30 Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023-24	528.0	2.3%
2022-23	516.0	6.3%
2021-22	483.0	(1.6)%
2020-21	491.0	(11.0)%
2019-20	552.0	(0.36)%
2018-19	554.0	(3.82)%
2017-18	576.0	(8.13)%
2016-17	627.0	(5.29)%
2015-16	662.0	5.75%
2014-15	626.0	.96%

2. ECONOMIC CONDITION AND OUTLOOK:

Fairfield Township continues to be a rural community whose main business remains agriculture. The community's economic condition is hindered by a poor, ratable base and the reality that only 54% of the community property is taxable. The remaining 46% is either wetlands or property under restriction by Federal and State authorities.

Single family housing permits grew significantly in 2006 for the first time in many years, but real growth remains quite limited, and additional State and non-profit purchases offset the reality of any increased tax base. As a result, the community shares in the County's problems of high unemployment and a high welfare presence. The fact that two large prisons are in the area makes the hope of further growth speculative.

3. MAJOR INITIATIVES:

Preschool: Our preschool program continues to be recognized due to the positive relationships and rapport built with families and the community. Research has proven that Early Childhood programs have the potential to impact our children positively. The NJ state-approved Creative Curriculum offers students a program that provides enrichment and hands-on inquiry-based experiences in Language Arts, Mathematics, Science, Social Studies, Social-Emotional skills, and developmentally pertinent physical activities to promote health and wellness. According to feedback from the NJDOE officials, our school continues to meet and exceed expectations. Thus, we want to continue providing resources to ensure a quality program. The aim is to increase programming and grants to elevate our preschool and early childhood programs. Our program is currently full, with a waiting list of potential students.

Math: Fairfield Township School (FTS) strives to meet and exceed state and district achievement expectations. The administration works collaboratively with teacher leaders to ensure that the math curriculum is aligned to NJ standards and meets state assessment expectations' rigor. Throughout the school year, our team meets closely with constituent districts and Cumberland Regional High School in curriculum consortium meetings to make sure instructional practices and curriculum guides are aligned so that a smooth transition is offered to students who may either be moving between districts or graduating to the high school.

FTS students participate in quarterly end-of-cycle benchmarks to track their progress and monitor student growth. Teachers meet bi-monthly to review data and plan interventions and strategies to assist gifted and/or struggling learners. Program and scheduling modifications have been implemented to address learning loss and its impact on students' social-emotional well-being.

We have offered various professional workshops to FTS staff to ensure that they can provide and implement the best teaching strategies in their instructional practices; this includes the platform Simple K-12, which offers on-demand professional development in many areas to increase teacher capacity. The district offers a summer enrichment and intervention program to prepare students for the academic rigor of the upcoming school year at FTS, high school, or technical school.

Literacy: FTS strives to meet and exceed state and district achievement expectations. The district administrative team works to ensure that the ELA curriculum is aligned with NJ standards and meets state assessment expectations' rigor. In addition to adopting the Linkit and I-Ready platforms to promote instruction aligned with mastery of content standards, the administrative team is hopeful that students will meet academic growth. Throughout the school year, our team meets closely with constituent districts and Cumberland Regional High School in curriculum consortium meetings to make sure instructional practices and curriculum guides are aligned so that a smooth transition is offered to students who may either be moving between districts or graduating to the high school.

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We have offered various professional workshops to FTS staff to ensure that they can provide and implement the best teaching strategies in their instructional practices; this includes the platform Simple K-12, which offers on-demand professional development in many areas to increase teacher capacity. In addition to an increase in frequent administrative walkthrough observations and feedback from the administrative team, opportunities for peer-to-peer coaching for instructional staff have helped to improve student engagement. The district offers a summer enrichment and intervention program to prepare students for the academic rigor of the upcoming school year at FTS, high school, or technical school.

Child Study Team and Special Education: A few years ago, the district formed our Child Study Team. The CST Supervisor collaborated with the Fairfield administrators to recruit, interview, and select CST staff. The district currently has a full-time Supervisor of CST, school psychologist, and social worker and has contracted a part-time occupational therapist, speech language pathologist, and physical therapist. The District is seeking to contract a Learning Disabled Teacher Consultant (LDTC). Over the course of this year and upcoming years, the CST will continue to review policies and IEPs, and prepare PD presentations that will orient the district staff to in-house CST and special education programs. Supports have been implemented to address COVID-related issues and their impact on students' social-emotional well-being.

Facilities: Fairfield Township School facilities accommodate students in grades PK-8. In addition, the district re-opened the athletic fields for the public's enjoyment. The field offers additional physical educational program activities such as tennis, basketball, track, soccer, and other sports-related activities. In addition, the field is open to the community after school hours, strengthening the relationship with the community. General and upgraded maintenance is a required concern.

Information Technology: The vision of Fairfield Township School is to implement a technology model that articulates the use of technology in all aspects of the School District. This includes classrooms that are interactive, flexible and ready for collaboration. The entire district now has high-speed networks to enhance learning and the classroom experience. Each classroom is now equipped with, or has access to, the use of mobile laptop carts to enhance instruction, all classrooms have a Smart Board or Promethean Board in the room. It is the District's Vision that every room will have a Smart Board or Promethean Board by the end of this year. Training on the boards has been offered, and will continue to be offered as the needs arise. Fairfield Township will use educational software, web-based resources and instructional technology research for curriculum integration; software and program renewals will continue to be monitored and addressed. Upgrades in the area of cafeteria server and equipment systems, indoor & outdoor cameras, and the coordinating DVR will be made per the district's vision.

Maintaining Our School System:

Our goal in designing the proposed budget is to maintain and enhance student services and programs. In the previous budget cycle, we were able to reinstitute crucial support positions to offer students needed services that would also promote their attaining school educational goals. We reinstituted the positions of Basic Skills Instructors in grades Prek-8. We not only provided staff to assist students but also thoughtfully revamped the master schedule to reflect BSI/ICA periods so that small group instruction can be offered to targeted students. We realize that the educational experiences these positions offer is paramount in providing regular education, at-risk, special education, and economically disadvantaged students the academic support needed to promote their success. In addition, these services are offered to support and improve school attendance as well as create a positive school climate where learning can take place. Another major goal is to continue regular data analysis to promote data-driven instruction in order to target and remediate areas that need improvement. Professional development continues to be a facet of this process. In meeting our goals, we will be able to maintain our current staff in the proposed budget. In the areas of ELA grades K-6 we recently upgraded our instructional materials to a more current, aligned series. This coming year we will also focus on upgrading instructional materials for Grades 6-8 in the area of mathematics and in our Grades 1-8 Health & PE program. Always present and a part of our budget is the goal to update and grow our technology supplies continuously. The proposed budget also includes a select number of smart boards. We continue our efforts to provide students access and use of computers. We also maintain the practice of using LinkIt/I-Ready and AimsWeb as assessment tools.

Raising Standards and Expanding Opportunities:

The proposed budget maintains and continues our work in focusing our attention to meet the needs of all of our students. We are showing improvement in the areas of math and literacy. In continuing this growth, we are implementing data driven instruction, meeting benchmark goals, using the Charlotte Danielson Framework of Teaching Model evaluation tool. We are also maintaining a positive school climate through new discipline procedures and programs, based on a Healing-Centered Environment and an ACES mindset. As a result, students believe in their abilities and want to come to school. The impact of these practices and procedures will help to continue improving student attendance. The support service positions are also an integral part in keeping students on task and building social skills, self-esteem, and positive methods for conflict resolution. Part of this process will be to review and revise as appropriate the student discipline codes in order to reflect expectations. In upgrading our technology and instructional materials, as well as analyzing data to adjust instruction, we continue our efforts to raise standards and expand education opportunities for our students.

Building Professionalism:

Our professional development goals are being met. We will continue to maintain our efforts in this area. The administrative team is developing as a collaborative, cohesive unit. Professional development in school leadership is being provided for new administrators. In building professionalism among our administrative team, we meet daily for check in status and weekly to discuss district matters and team processes. Staff are provided with professional development planned days based on an analysis of need. Occasionally, outside professionals are invited to provide in-service training. We have offered various professional workshops to FTS staff to ensure that staff can provide and implement best teaching strategies in their instructional practices, this includes the platform Simple K-12 which offers on demand professional development in a myriad of areas to increase teacher capacity. Funds for these opportunities are provided through various grants, titles and local money. Also, staff often turnkey opportunities they have had with their grade level teams during team meetings or during professional day development opportunities. Staff are also engaged in PLC activities to enhance their professional growth. Professional development opportunities are based on the implementation of best practices throughout instruction. Due to the stressors and demands brought on by the pandemic, teacher and staff SEL activities and motivation practices have been put into place to build up each other, and to encourage self-care.

Protecting Our Investment (Capital & Maintenance Projects/Capital Reserve):

The district will continue to meet expectations as required in the Comprehensive Maintenance Plan. We will also be replacing some carpet in high use areas. School clocks will be upgraded/replaced as needed. The budget also reflects money set aside to replace as needed HVAC compressors.

Planning for the Future:

Our School District supports the need to infuse technology throughout the students' education in all instructional settings. In order to accomplish this task, we will continue our efforts to continuously upgrade and support student use of Chromebooks, Smart Boards, and desk tops to acclimate all students to not only proficiency with its use, but the role it plays in everyday life and careers. We continue to upgrade/replace as appropriate our smart boards to meet the needs of both students and staff and support instruction.

New Jersey Student Learning Standards (NJSLS):

Our School District has implemented the NJSLS throughout our School District curriculum. We have updated our curriculum to include the most revised student learning standards. Fairfield Township School District is committed to ensuring a thorough and efficient education to all students. Weekly lesson plan reviews are completed by administration to safeguard the process of NJSLS implementation by staff. Additionally, walkthroughs and observations are conducted to further solidify the effective implementation of these standards into teaching these standards to fidelity to our students to become college and career ready.

At FTS, we provide a creative, engaging & exciting curriculum designed to spark children's interest and create a love of learning. We use a creative and thematic approach to learning that is mapped to the NJ curriculum standards to ensure comprehensive coverage of state expectations. We provide a rich menu of exciting and motivating learning activities that make creative links between all aspects of our children's learning. We believe children learn better when they are encouraged to use their imagination and apply their learning to engaging contexts. Our curriculum provides learning challenges throughout the academic year that will require children to solve problems, apply themselves creatively and express their knowledge and understanding effectively. We use Go Math to support the Mathematics and MyView & MyPerspective to support Language Arts Instruction, a teaching method based on student centered instruction, Universal Design for Learning, is used in all grades.

Math:

The school has made great strides in terms of achieving math benchmark targets and providing intervention support to assist our students. The administrative team assists staff and students in meeting academic goals. Furthermore, supervisors and reading intervention teachers meet with grade level teachers bi-monthly to participate in professional learning communities that focus on using data to drive instruction and best instructional practices in the classroom. The students are assessed quarterly using the EdConnect platform.

The school has implemented a benchmark incentive for students that pass their benchmark assessment. In addition, the supervisors meet with staff as needed individually to provide staff with feedback and support to promote student achievement. The school also offers an after school program to provide students with tutorial support and other academic assistance. The students also practice math skills using IXL.

The smart goal stated that by June 2024, students in grades 3-8 will complete a post-test/benchmark for each math unit, with at least 50% of all students scoring a 60% or better. The bar of expectations will continue to be raised in future years. Fairfield Township School strives to increase student achievement in math using data driven instruction. According to the Annual School Planning System (ASPS), our school will use the LinkIt math benchmark assessments. The District will be renewing the license with LinkIt to support the school plan. The District will continue to use the digital version of the Go Math series for grades K-8. Being completely digital in many of our programs requires the district to maintain its current number of Smart Boards, laptops and carts through replenishment and repair. The District will continue to support a Supervisor of Curriculum & Instruction position to develop Professional Learning Communities, implement universal design for learning, conduct small group instruction, and analyze data results to target students that do not meet expectations.

The math series is 100% digital for grades 3-6, requiring the district to maintain its current number of Smart Boards, laptops and carts through replenishment and repair. The District will continue to support supervisors and team leaders to develop Professional Learning Communities, implement universal design for learning, conduct small group instruction, and analyze data results to target students that do not meet expectations.

Science:

Fairfield Township School district fosters a school environment in which students are actively working to master next generation standards. The administration works to provide staff with professional development and resources to promote science classrooms in which teachers support students in science and engineering practices for building and using science ideas to explain real phenomena and solve real problems.

Fairfield Township School strives to meet state expectations and district goals in order to meet the needs of students. The Science teachers meet twice a year for vertical articulation with other members of the Cumberland Curriculum Consortium.

ELA:

The school has made great strides in terms of achieving Language Arts benchmark targets and providing intervention support to assist our students. The school employs a reading intervention teacher to assist staff and students in meeting academic goals. Furthermore, the reading intervention teacher meet with grade level teachers bi-monthly to participate in professional learning communities that focus on using data to drive instruction and best instructional practices in the classroom. The students are assessed quarterly using Aims web and LinkIt platforms.

The smart goal was by June 2024, students in grades 3-8 will complete a post-test/benchmark for each ELA unit, with at least 40% of all students scoring at least in the Basic Range. The level of expectations will continue to increase in future years. The school has implemented a benchmark incentive for students that pass their Language Arts benchmark assessment. In addition, the Supervisors meet with staff as needed individually to provide staff with feedback and support to promote student achievement.

The school hosts two book fairs a year and participates in a school wide reading incentive to promote literacy. The school offers an after school program to provide students with tutorial support and assistance in meeting criteria for ELA standards in preparation for the next school year and the state assessment. The students also practice reading skills using IXL.

The District will continue to support a Reading Interventionist position to better support the needs of the ELA department. The aim is to provide layers of support for students with learning deficits. Working with the Reading Interventionist, teachers in grades 1-4 are able to provide small group instruction/guided reading and implement universal design for learning. These supports are crucial as we added an additional goal to our plan, an early literacy goal which states that by June of 2024, 25% of Kindergarten and First Grade students will be reading on the suggested F&P level of C and G, respectively.

Teachers use PLC meetings to analyze data collectively in order to support students that are not meeting expectations according to their benchmark and running record results. The District will renew its license for AimsWeb which serves as our dyslexia screening tool and provides progress monitoring for literacy skills in grades K-6. The District will also renew its license with EdConnect- which is the District's benchmarking platform.

Social Studies:

Our school is steadfast in providing 21st-century learners with the knowledge they need to become active and informed citizens. Our school has intentionally adopted and implemented cross curricular strategies to teach social studies. Our fairly new social studies program simultaneously ensures the understanding of the fundamental principles of American democracy and citizenship through a structured framework and allows our school to educate students through social studies to become informed and contributing members of our local and global communities. The District will use Pearson's My World Interactive Social Studies series for grade K-8. As much of the series is digital, the District will create a plan to maintain and repair technology to support students and teachers in this endeavor.

21st Century Life & Careers:

Our school has embraced the fact that students need to be lifelong learners who need the skills to adapt to an ever changing world. Fairfield Township School District has strategically integrated 21st Century life and career skills across the Pre-K to 8th curriculum. We have implemented the Sanford Harmony Character Education Program. This program provides students with a foundation in effective communication, character education, and a variety of skills that address the demands of an evolving world.

Financial literacy has been encompassed throughout the math curriculum to enhance opportunities for students to make informed decisions regarding personal finance. In order to meet QSAC requirements, the District revised our enrichment period to include Financial Literacy for students in grades 5-8. Students cycle through the class by marking period. The District created curriculum is implemented by a certified math teacher. With the use of Generation Genius, a supplemental math & science program, students are exposed to careers that are math and/or science based.

Visual & Performing Arts:

Our school is equipped to educate students according to the national art standards. Fairfield Township provides a variety of learning modalities in Art instruction. Our school allows students opportunities to create, present, respond, and connect through their artwork. Our art program promotes students to become innovative thinkers and encourages creative risk taking. Student work is consistently on display highlighting artistic work for presentation throughout the school. In order to meet QSAC requirements, the District conducted summer curriculum work sessions to begin the process of updating the Visually and Performance Art curriculum. The master schedule was revised to include choice specials for grades 6-8. Fairfield Township School strives to meet state expectations and district goals in order to meet the needs of students. The Visual and Performing Arts teachers meet twice a year for vertical articulation with other members of the Cumberland Curriculum Consortium.

Comprehensive Health & Physical Education:

Physical education is the antidote to fighting child obesity in our country. Fairfield Township provides a physical education program that incorporates the interdisciplinary connection of wellness, health, and physical education through effective instruction. Fairfield Township School has two physical education teachers that provide a variety of kinesthetic and auditory activities at high levels of student engagement. Our physical education teachers are committed to sharing knowledge, developing skills that influence life-long healthy behaviors, promoting a healthy self-image within school, family, and the global community at large. As new mandates are made, the team works to meet the curriculum requirements by attending DOE updates.

World Language:

Language and communication are the heart of the human experience. The United States must educate students who are equipped linguistically and culturally to communicate successfully in a pluralistic American society and abroad. This imperative envisions a future in which ALL students will develop and maintain proficiency in English and at least one other language, modern or classical. Children who come to school from non-English-speaking backgrounds should also have opportunities to develop further proficiencies in their first language. All students PK-8 are exposed to an enriched curriculum that promotes literacy, writing, comprehension, and public speaking skills in conjunction with knowledge of various cultures and backgrounds. The school also hosts a multicultural day to celebrate and acknowledge various cultural groups and their customs, languages, and practices. In order to meet QSAC requirements, the District conducted summer curriculum work sessions to begin the process of updating the World Language curriculum.

Technology STEM:

Fairfield Township School is planning to expand the Google education platform and supported hardware devices including Chromebooks and Google platform labs to support the integration of Google Classroom. Classroom activities, assignments and group projects are integrated across the curriculum to deepen and enhance the learning process through the integration of STEM-related activities. Fairfield Township is focusing on upgrading its Wi-Fi resources to support additional smart devices, some classrooms are equipped with smart boards and Google Chromebooks. Our goal is to integrate additional Smartboards, Chromebooks as well as Tablets to support the integration of technology in the classroom. With the use of Generation Genius, a supplemental math & science program, students are exposed to STEM activities and careers.

Technology:

To assist our students' ability to become college and/or career-ready, technology is used to enhance student learning. The District Technology Plan has a strong emphasis on using technology for innovation, integration and data-driven academic interventions. Fairfield Township School District is committed to providing an infrastructure, which can support the ever-growing use of and need for technology to increase effectiveness and efficiency. The IT Department has a full time staff member dedicated to providing and maintaining the technology infrastructure needed in today's 21st century classrooms. The in-house Instructional Technology Coordinator is available full-time to assist teachers in integrating technology into their instruction. This encourages high-tech classroom lessons, which increase student engagement. All students in grades 1 to 8 have a grade level set of Chromebooks, which are accessible to them during school hours. Kindergarten students have access to desktops and a smartboard in their classrooms and in the computer lab.

Child Study Team (CST):

The CST will continue to meet the needs of students with disabilities. In order to continue to make a meaningful difference in the eyes of students with exceptionalities, our school will continue to operate with a full-time supervisor of special education, psychologist, and school social worker. Within the CST structure, there will be a part-time physical therapist, learning disabled teacher consultant, occupational therapist, and a speech therapist providing related services. Over the course of the year, the CST will continue to review policies, IEP's, and prepare PD presentations to better support and orientate staff.

Student Support Services:

Fairfield Township School offers a variety of support services through Specialized Instructional Support Personnel which include prevention, intervention, transition and follow-up services for students with disabilities, English Learners, struggling students, and families. In addition, struggling students are supported through student friendly Intervention and Referral Services. Fairfield's School Nurse promotes health, safety, and wellness to all students. Fairfield implements a Character Education program that addresses SEL (Social-Emotional Learning) through interactive, engaging lessons that support student's emotional and social development. Fairfield has also befriended State Troopers to check in often to build healthy relationships amongst students and law enforcement.

School Culture & Safety:

Fairfield Township School has instituted a school-wide Positive Behavior Intervention Supports character education program that emphasizes the importance of respect and responsibility; as a result there has been a significant decline in student absenteeism and office referrals. Fairfield is committed to providing staff and students with a school environment that is free from physical and psychological harm. Our commitment includes maximizing school safety, creating a positive learning environment, and promoting high expectations for behavior. Fairfield has created school wide norms to promote a common set of values for transforming school climate. Fairfield's character education initiative empowers students with communication skills, anger management, mediation skills, and positive decision making. Fairfield has created a crisis team to encourage attitudes and behaviors that build strong relationships within the school and community. The school has also established a stronger relationship with local law-enforcement and has turned key professional development to staff on a variety of topics related to school safety.

Clubs and Activities:

This year, the District made a conscious effort to bolster the school's offerings of clubs and sports. Due to the need for students to be able to interact, practice social skills, and explore new hobbies and interests, we felt this year it was more important than ever to give students these outlets. The program also offers transportation and hot meals, which also meet the needs of our population. Students that, in the past, could not participate due to a lack of transportation, are able to sign up. Some examples of our clubs: Scholastic Academy is a program geared towards students that excel in school and/or on the state assessment test. Students are chosen based on academic achievement and teacher recommendation to be a part of this academic club. Students participate in a variety of lessons & activities that span all content areas and ranges of student interest. Science Club is based on academic achievement & interest in Science to be a part of this academic club. Students participate in a variety of lessons & activities that span a different area of science each year. STEAM activities and project-based learning activities allow students to work together in groups, in team building scenarios. Students volunteer to run activities involving the school at our STEM Night. The students also enjoy the Drama Club, which uses Reader's Theater to promote literacy and love for the Arts. Caring Kids Club members do nice things for others, like writing cards to veterans and do acts that promote school pride. We also offer Book worms, Bookworms Jr, Art Club, and various sports and intramural teams.

Professional Learning:

Staff professional learning is aligned with the school improvement plan. All staff participate in professional learning grounded in best practices in small group instruction, data analysis, reading intervention, diversity, team building, student discipline, and student safety. The administration seeks to ensure that all staff have the opportunity to collaborate in an effort to drive positive relationships and student academic growth and development. The opportunities include professional learning communities, committees, and weekly labor association meetings. Staff is allotted bi-monthly times to participate in team building and PLCs. Staff discuss questions and concerns regarding the day to day operations of the building, progress regarding targets, and data analysis. Bi-monthly administration meets with the school's team leaders to discuss progress toward school's goals. The administration meets weekly to discuss progress toward meeting the school's goals and objectives.

Student, Health, & Wellness:

Fairfield Township offers a free breakfast program through Nutriserve, five days a week. Snack programs for early learning through Nutriserve. Food for the After-School Program is provided by the Community Foodbank. Fairfield Township students participate in daily recess as part of the lunch period and have an additional physical activity period as part of the character education program, in addition to the daily scheduled health and physical education classes. Teen outreach program consists of a total of 25 one-hour weekly club meetings throughout the school year focused on key topics related to adolescent health and development and Community Service Learning.

Parent Organizations:

Parent and community involvement efforts are growing. To date, they consist of Parent Action Classes, a mentor program, partnering with local churches and community organizations, offering parental resources in relation to workshops that are career driven, finances, education, health and social services. The aim is to increase the amount of resource support. Some current partnerships include Cumberland County Library, Gateway, Family Success center, SPAN, Trinity AME Church, St. John United Methodist Church, In His Image Church, Inspira Medical Center, Complete Care, Prosecutors Office, Cumberland County College, Fairfield Township and other local organizations. The focus is to expand partnerships and networking. We now have a PTO organization that does fundraising and hosts events for the students and community.

Facilities:

The primary purpose of school facilities is to support the instructional program. The School Board encourages the use of school facilities by the public for worthwhile community, education, recreational, civic and cultural activities when such use will not interfere with the basic purposes of the educational program. All of our facilities are safe, functional and aesthetically pleasing, where students want to learn, teachers want to teach and the community wants to gather in a safe and beautiful environment. The school has a gymnasium with access to state of the art technology screens, a media center with desktop computers and smart board, a technology lab with state of the art smart board, a cafe with two state of the art television monitors and tech screen, laptop carts are available to all grade levels and smart boards are in all classrooms grades K-8. The school also houses an athletic field which includes a race track, baseball field, tennis court, and basketball court to support health and physical wellness. No major renovations or upgrades to the facility are officially planned this year. Yes, we are in compliance with Alyssa's law.

Early Childhood:

Fairfield Township School offers a high quality early childhood program. All preschool and kindergarten staff are highly qualified. The preschool program implements the state approved Creative Curriculum. The kindergarten program uses the basal series, MyView. The math resource used is Go Math. The math curriculum and Language Arts curriculum are posted on the school website. Currently, the program serves more than 87 students. There are no more than fifteen students in a preschool classroom with an aide. There are no more than twenty-one students in a kindergarten class and aides in kindergarten accompany the teacher and students during all academic periods.

Other Information:

Parent Action Team Meetings consist of parents and students coming together with questions, answers, and resolutions regarding math, language arts, technology usage and building parent partnerships with the community. Parents and students have access to the parent portal to check the students' progress through our parent portal link on the school website. The purpose is to develop learning partnerships between the parents and students to help aid one another and to aid use of resources. Early Childhood Advisory Council consists of parents with children from preschool to 3rd grade that come together in unison to develop new ideas that promote community collaborations and strengthen family involvement within the school. Special Education Advisory Group - parents meet with the advisory team to develop new ideas and connect with outside companies such as SPAN (Special Education Advisory Council) to obtain resources to enhance the academic development of the parents and students.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected 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 canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2024.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7. DEBT ADMINISTRATION:

On December 8, 2009, the voters of the School District approved a referendum to construct an addition, as well as undertake various improvements, acquire equipment and make renovations to the elementary school. The total amount approved was \$3,984,772, of which \$1,984,772 was funded by a grant from the State of New Jersey and the remaining \$2,000,000 was funded through the issuance of bonds at various interest rates. Principal payments of bonds in the amount of \$100,000 were made during the 2023-24 fiscal year, resulting in a balance in bonds payable as of June 30, 2024 of \$860,000.

On September 15, 2014 the District refunded \$3,150,000 in Bonds Payable from the March 15, 2004 Construction of the new Elementary/Middle School, resulting in a net savings of \$56,000. Principal payments in the amount of \$340,000 were made during the 2023-24, resulting in a balance in these bonds payable as of June 30, 2024 of \$365,000.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan, which 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Fairfield Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff. We received the complete cooperation from Bowman & Company, LLP and appreciate the courtesies extended to us.

Respectfully Submitted,

Dr. Ja'Shanna Jones-Booker

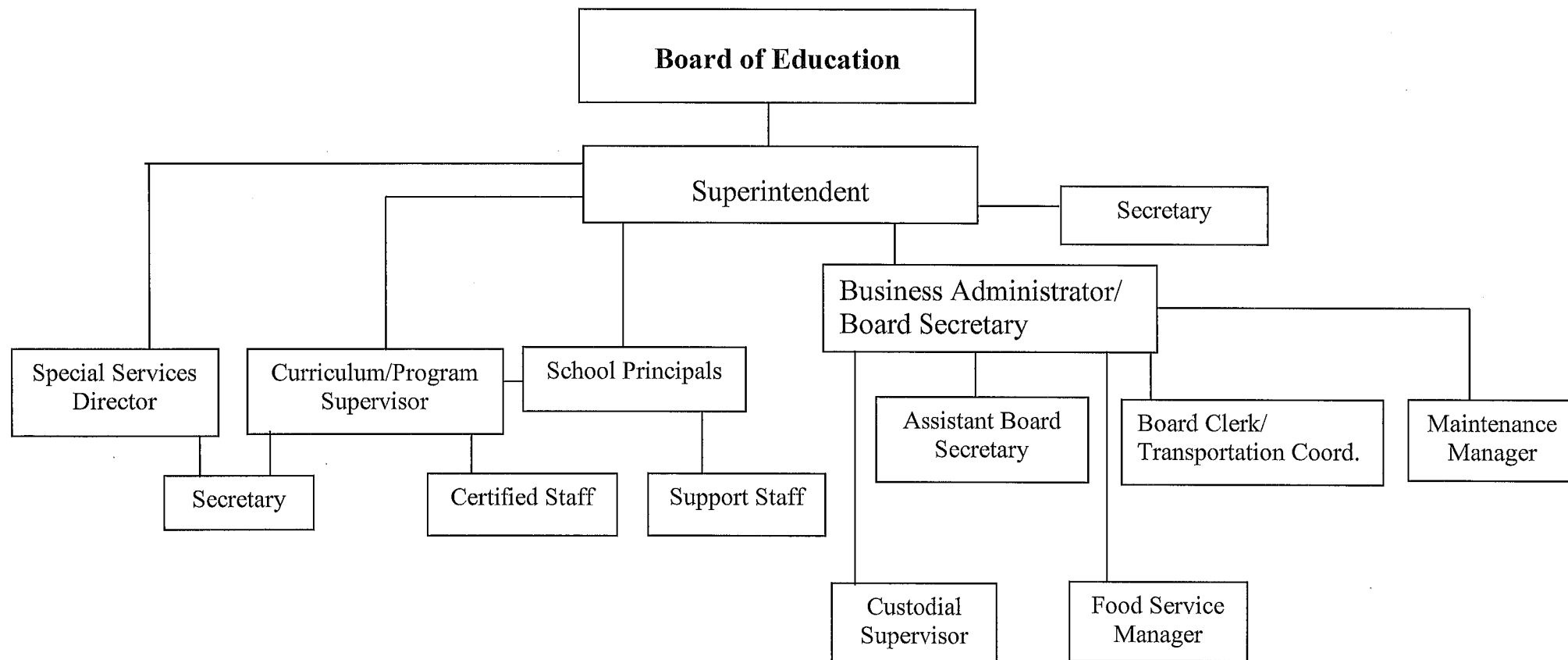
Dr. Ja'Shanna Jones-Booker
Superintendent

Respectfully Submitted,

Dr. Sean McCarron

Dr. Sean McCarron
Business Administrator

ORGANIZATIONAL CHART



Approved by the Board of Education

**TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2024**

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Darlington Henry, Jr.	2024
Michael Keene	2026
Erica Goodwin	2024
Alta Lloyd	2024
Shanna Johnson	2025
Randolph Ferebee	2025
Angeline Pierce	2026
Catherine Muhlbaier	2026
Corey Ridgway	2025

OTHER OFFICIALS

Dr. Ja'Shanna Jones-Booker, Superintendent

Dr. Sean McCarron, School Business Administrator / Board Secretary

Philip E. Stern, Esq. Solicitor

**TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
JUNE 30, 2024**

Audit Firm

Bowman & Company LLP
6 N. Broad Street, Suite 201
Woodbury, New Jersey 08096

Attorney

Philip E. Stern
DiFrancesco, Bateman, Kunzman, Davis, Lehrer & Flaum, PC
15 Mountain Blvd
Warren, NJ 07059

Official Depositories

Ocean First Bank
85 W. Broad Street
Bridgeton, NJ 08302

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Fairfield Township School District
Fairfield Township, New Jersey 08302

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Fairfield Township School District, in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Fairfield Township School District, in the County of Cumberland, State of New Jersey, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 School District and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, 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 School District's ability to continue as a going concern for 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 auditing standards generally accepted in the United States of America 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment 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 School District'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fairfield Township School District's basic financial statements. The combining statements and related major fund supporting statements and schedules, are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, 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 State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 statements and related major fund supporting statements and schedules, and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

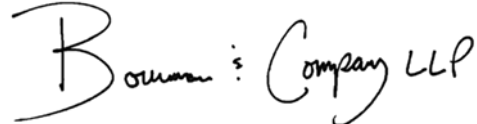
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

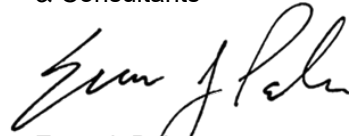
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2025 on our consideration of the Fairfield Township School District'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 solely 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 the effectiveness of the Fairfield Township School District's 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 Fairfield Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is stylized, with the "B" being particularly large and the "Company" written in a cursive script.

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink that reads "Evan J. Palmer". The signature is written in a cursive style, with the first name "Evan" being more prominent.

Evan J. Palmer
Certified Public Accountant
Public School Accountant No. CS02548

Woodbury, New Jersey
March 18, 2025

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

The discussion and analysis of Fairfield Township School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal years ended June 30, 2024 and June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Financial Highlights for fiscal year 2024:

The total assets and deferred outflows of resources of the School District were greater than its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$7,885,026.69 (net position).

The School District's total net position decreased by \$1,298,436.16, from the prior year.

As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of (\$436,139.53), a decrease of \$1,585,568.16 in comparison with the prior year.

Overview of the Financial Statements

The financial section of this annual report consists two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II, that contains required supplementary information that further explains and supports the information in the financial statements including; budget schedules, reconciliations and individual fund statements.

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in that position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental and business - type activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and special schools.

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 School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

Enterprise funds, which are a proprietary fund type used to report an activity for which a fee is charged to an external user for goods or services, are used to report the same functions presented as business-type activities in the government-wide financial statements. The School District uses enterprise 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 government-wide and fund financial statements.

The School District as a Whole

The Statement of Net Position provides a snapshot of the School District as a whole.

The table on the following page provides a summary of the School District's net position for the year ended June 30, 2024.

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

Table 1

Net Position

	June 30, 2024	June 30, 2023
Assets:		
Cash and Cash Equivalents	\$ 103,701.28	\$ 420,424.46
Receivables, net	250,989.24	1,641,117.26
Inventory	13,129.32	17,485.33
Capital Assets, net	10,729,422.46	11,026,016.74
Total Assets	11,097,242.30	13,105,043.79
Deferred Outflows of Resources:		
Related to Pensions	324,487.00	442,165.00
Liabilities:		
Accounts Payable	304,048.77	378,206.47
Loan Payable (Short Term)	456,775.00	435,000.00
Accrued Interest Payable	8,916.67	15,131.67
Unearned Revenue	2,191.64	2,677.64
Noncurrent Liabilities:		
Due within One Year	135,782.05	506,162.82
Due beyond One Year	2,153,822.48	2,206,255.34
Total Liabilities	3,061,536.61	3,543,433.94
Deferred Inflows of Resources:		
Defeasance of Debt	2,677.00	8,344.00
Related to Pensions	472,489.00	811,968.00
Total Deferred Inflows	475,166.00	820,312.00
Net Position:		
Net Investment in Capital Assets	9,976,745.46	9,792,672.74
Restricted	136,557.66	436,637.17
Unrestricted (Deficit)	(2,228,276.43)	(1,045,847.06)
Total Net Position	\$ 7,885,026.69	\$ 9,183,462.85

The largest portion of the School Districts' net position reflects its investment in capital assets (i.e. land, buildings, equipment), less any related debt used to acquire those assets that is still outstanding. The School District uses these assets to provide educational services to students; consequently, these assets are not available for future spending.

The net position of the business-type activities decreased by \$86,393.09.

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

Table 2

Changes in Net Position

	June 30, 2024	June 30, 2023
Revenues		
Program Revenues:		
Charges for Services	\$ 54,991.57	\$ 66,374.52
Operating Grants and Contributions	2,456,513.36	2,269,794.82
Capital Grants and Contributions	76,219.96	729,290.44
General Revenues:		
Property Taxes	1,735,939.00	1,715,300.00
Federal and State Aid	6,065,168.15	9,214,341.09
Unrestricted Miscellaneous Revenues	1,661.10	43,742.79
Total Revenues	<u>10,390,493.14</u>	<u>14,038,843.66</u>
Program Expenses:		
Governmental Activities:		
Instruction	3,963,921.95	3,697,239.66
Support Services	<u>7,111,925.54</u>	<u>7,812,279.15</u>
Total Expenses, Governmental Activities	<u>11,075,847.49</u>	<u>11,509,518.81</u>
Business-Type Activities:		
Food Service	<u>613,081.81</u>	<u>640,742.90</u>
Total Expenses, Business-Type Activities	<u>613,081.81</u>	<u>640,742.90</u>
Total Expenses	<u>11,688,929.30</u>	<u>12,150,261.71</u>
Change in Net Position	<u><u>\$ (1,298,436.16)</u></u>	<u><u>\$ 1,888,581.95</u></u>

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

Governmental Activities

State Aid and the Local Tax Levy comprise 99.45% of the total revenues for government activities for the fiscal year 2024.

The decrease in Governmental Activities Expenses from FY 2022-2023 to FY 2023-2024 was primarily related to the recording of of GASB 68 and 75 revenue and expenses for the fiscal year.

Instruction costs comprises 35.79% of the District's governmental expenses, while support service and other expenses, including tuition costs, comprise approximately 64.21% of the government expense.

The Statement of Activities shows the costs of the Governmental Activities' program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for fiscal year 2024. That is, it identifies the cost of these services supported by general revenues.

Table 3

	Total Cost of services	Net Cost of services
Instruction	\$ 3,963,921.95	\$ 2,919,601.92
Support services:		
Tuition	145,443.51	145,443.51
Student and Instruction Related Service	1,062,107.38	719,612.20
School Administrative Services	89,809.01	89,809.01
General Administrative Services	334,972.70	334,972.70
Central Services	248,546.59	248,546.59
Plant Operation and Maintenance	1,018,132.84	941,912.88
Pupil Transportation	802,354.09	802,354.09
Unallocated Benefits	1,713,900.24	1,499,597.24
Reimbursed TPAF and Social Security	1,024,423.82	640,725.82
Transfer to Charter Schools	262,999.86	262,999.86
Interest on Long Term Debt	37,118.00	37,118.00
Unallocated Depreciation	372,117.50	372,117.50
Total Government Activities	<u>\$ 11,075,847.49</u>	<u>\$ 9,014,811.32</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Tuition expenses include the cost to the School District to send pupils living within the District to private schools.

Student and instruction related services include the activities designed to assess and improve the well being of students and to supplement the teaching process.

School Administrative, General Administrative, and Central Services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administrative services.

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in an effective working condition.

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

Governmental Activities (Cont'd)

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

Unallocated benefits includes the cost of benefits for the School District staff for social security, retirement contributions, workers' compensation, health, dental, prescription and other employee benefits.

Transfer to Charter Schools and interest on long-term debt.

Reimbursed TPAF and Social Security costs are the amounts for the on-behalf payments made by the State of New Jersey for staff members included in the Teacher's Pension and Annuity Fund.

Unallocated depreciation is used to report the depreciation expense on capital assets whose use cannot be specifically identified to one particular function.

The dependence upon property taxes, federal and state aid is apparent. The local community, federal government and state, are the primary support for the Fairfield Township School District.

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All government funds had total revenues of \$10,950,073.46 (Exhibit B-2), expenditures of \$12,535,641.62. The net change in fund balance was significant in the General Fund which had a decrease of \$1,555,081.26. The decrease in fund balance in the general fund is primarily a result of decreased revenues over costs and decreased grant funds received during fiscal year 2024.

General Fund Budgeting Highlights

The School District's budget is prepared in accordance with New Jersey Law. Most of the funds are appropriated in the General Fund.

During the course of the 2024 fiscal year, the School District modified its General Fund budget as allowed by New Jersey School law. The majority of budget modifications resulted from transfers made throughout the 2023-24 school year and the inclusion of additional state aid to modify revenues and appropriations.

For the General Fund, the original budget was \$6,526,373.00 and final budget basis revenue was \$6,526,373.00, with actual revenues in the amount of \$8,542,194.39, resulting in a positive variance of \$2,015,821.39. The positive variance occurred mainly because of the TPAF On-behalf and Social Security payments by the State of New Jersey.

The General Fund final budget basis expenditure appropriation estimate was \$8,344,862.00 including prior year encumbrances compared with the original estimate of \$7,071,612.00, which also included prior year encumbrances. Actual General Fund basis expenditures were \$10,032,499.55. The variance occurred mainly because of the TPAF On-Behalf and Social Security payments by the State of New Jersey.

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

Capital Assets

At the end of the fiscal year, the School District had \$10,648,459.81 invested in land, land improvements, buildings and improvements, vehicles and equipment combined for governmental activities and business-type activities.

Table 4 shows a summary of the School District's fiscal 2024 balances:

**Table 4
Capital Assets (Net of Depreciation)**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Land	\$ 179,994.00	\$ 179,994.00
Land Improvements	637,575.40	656,795.20
Buildings and Improvements	9,668,001.37	9,970,843.94
Vehicles and Equipment	<u>162,889.04</u>	<u>125,885.21</u>
Totals	<u>\$10,648,459.81</u>	<u>\$ 10,933,518.35</u>

Debt Administration

At the end of the current fiscal year, the Fairfield Township School District had total bonded debt outstanding of \$750,000.00. All of the School Districts' bonded debt is governmental as opposed to business-type. The 2024-25 adopted budget has an appropriation of \$140,000.00 representing the payment of principal & interest. The bonds have various interest rates and various maturity dates. Bonded Debt at end of prior year was \$1,225,000.00.

Economic Factors and Next Year's Budget

For the 2023-24 school year, the School District was able to stay within the State of New Jersey's cap on the increase in taxes levied of 2%. The School District continues to look for opportunities for cost containment including shared services. One of the most important factors affecting the budget is enrollment.

Contacting the School District's Financial Management

The School District's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials and investors and creditors with a general overview of the School District's finances and to show its accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact the Fairfield Township School Business Administrator/Board Secretary at 375 Gouldtown Woodruff Road, Bridgeton, NJ 08302.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 42,204.89	\$ 61,496.39	\$ 103,701.28
Receivables	221,545.96	29,443.28	250,989.24
Internal Balances	(55,235.97)	55,235.97	
Inventory		13,129.32	13,129.32
Capital Assets, net	<u>10,648,459.81</u>	<u>80,962.65</u>	<u>10,729,422.46</u>
Total Assets	<u>10,856,974.69</u>	<u>240,267.61</u>	<u>11,097,242.30</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	<u>324,487.00</u>	<u>-</u>	<u>324,487.00</u>
LIABILITIES:			
Accounts Payable:			
Related to Pensions	116,188.00		116,188.00
Other	187,860.77		187,860.77
Loan Payable (Short Term)	456,775.00		456,775.00
Accrued Interest Payable	8,916.67		8,916.67
Unearned Revenue	18.64	2,173.00	2,191.64
Noncurrent Liabilities:			
Due within One Year	135,782.05		135,782.05
Due beyond One Year	<u>2,153,822.48</u>		<u>2,153,822.48</u>
Total Liabilities	<u>3,059,363.61</u>	<u>2,173.00</u>	<u>3,061,536.61</u>
DEFERRED INFLOWS OF RESOURCES:			
Defeasance of Debt	2,677.00		2,677.00
Related to Pensions	<u>472,489.00</u>		<u>472,489.00</u>
Total Deferred Inflows of Resources	<u>475,166.00</u>	<u>-</u>	<u>475,166.00</u>
NET POSITION:			
Net Investment in Capital Assets	9,895,782.81	80,962.65	9,976,745.46
Restricted for:			
Debt Service	0.24		0.24
Capital Projects	580.47		580.47
Student Activities	31,220.95		31,220.95
Maintenance	104,756.00		104,756.00
Unrestricted (Deficit)	<u>(2,385,408.39)</u>	<u>157,131.96</u>	<u>(2,228,276.43)</u>
Total Net Position	<u>\$ 7,646,932.08</u>	<u>\$ 238,094.61</u>	<u>\$ 7,885,026.69</u>

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

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2024

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction:							
Regular	\$ 3,285,456.30		\$ 1,044,320.03		\$ (2,241,136.27)		\$ (2,241,136.27)
Special Education	618,137.65				(618,137.65)		(618,137.65)
Other Instruction	60,328.00				(60,328.00)		(60,328.00)
Undistributed Expenditures:							
Tuition	145,443.51				(145,443.51)		(145,443.51)
Student and Instruction Related Services	1,062,107.38	\$ 30,421.78	312,073.40		(719,612.20)		(719,612.20)
School Administrative Services	89,809.01				(89,809.01)		(89,809.01)
General Administrative Services	334,972.70				(334,972.70)		(334,972.70)
Central Services	248,546.59				(248,546.59)		(248,546.59)
Plant Operations and Maintenance	1,018,132.84			\$ 76,219.96	(941,912.88)		(941,912.88)
Pupil Transportation	802,354.09				(802,354.09)		(802,354.09)
Unallocated Benefits	1,713,900.24		214,303.00		(1,499,597.24)		(1,499,597.24)
Reimbursed TPAF and Social Security	1,024,423.82		383,698.00		(640,725.82)		(640,725.82)
Transfer to Charter Schools	262,999.86				(262,999.86)		(262,999.86)
Interest on Long-Term Debt	37,118.00				(37,118.00)		(37,118.00)
Unallocated Depreciation	372,117.50				(372,117.50)		(372,117.50)
Total Governmental Activities	11,075,847.49	30,421.78	1,954,394.43	76,219.96	(9,014,811.32)	-	(9,014,811.32)
Business-Type Activities:							
Food Service	613,081.81	24,569.79	502,118.93			\$ (86,393.09)	(86,393.09)
Total Government	\$ 11,688,929.30	\$ 54,991.57	\$ 2,456,513.36	\$ 76,219.96	(9,014,811.32)	(86,393.09)	(9,101,204.41)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					1,211,939.00		1,211,939.00
Property Taxes, Levied for Debt Service					524,000.00		524,000.00
Federal and State Aid not Restricted					6,065,168.15		6,065,168.15
Miscellaneous Income					1,661.10		1,661.10
Total General Revenues					7,802,768.25		7,802,768.25
Change in Net Position					(1,212,043.07)	(86,393.09)	(1,298,436.16)
Net Position -- July 1					8,858,975.15	324,487.70	9,183,462.85
Net Position -- June 30					\$ 7,646,932.08	\$ 238,094.61	\$ 7,885,026.69

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 41,780.01	\$ 424.88			\$ 42,204.89
Receivables, net:					
Interfunds Receivable:					
General Fund				\$ 0.24	0.24
Special Revenue Fund	218,600.94				218,600.94
Receivables from Other Governments:					
State of New Jersey	73,457.99				73,457.99
Federal Government		145,151.29			145,151.29
Miscellaneous Other Receivables		2,936.68			2,936.68
Total Assets	<u>\$ 333,838.94</u>	<u>\$ 148,512.85</u>	<u>-</u>	<u>\$ 0.24</u>	<u>\$ 482,352.03</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 169,805.95	\$ 2,546.24			\$ 172,352.19
Due to Grantor		15,508.58			15,508.58
Interfunds Payable:					
General Fund		218,600.94			218,600.94
Enterprise Fund	55,235.97				55,235.97
Debt Service Fund	0.24				0.24
Loans Payable (Short Term)	456,775.00				456,775.00
Unearned Revenue		18.64			18.64
Total Liabilities	<u>681,817.16</u>	<u>236,674.40</u>	<u>-</u>	<u>-</u>	<u>918,491.56</u>

(Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances:					
Restricted:					
Capital Reserve	\$ 580.47				\$ 580.47
Maintenance Reserve	104,756.00				104,756.00
Debt Service Fund				\$ 0.24	0.24
Student Activities		\$ 31,220.95			31,220.95
Assigned:					
Designated for Subsequent Year's Expenditures	7,688.00				7,688.00
Unassigned (Deficit):					
Special Revenue Fund		(119,382.50)			(119,382.50)
General Fund	(461,002.69)				(461,002.69)
Total Fund Balances (Deficit)	(347,978.22)	(88,161.55)	-	0.24	(436,139.53)
Total Liabilities and Fund Balances	\$ 333,838.94	\$ 148,512.85	-	\$ 0.24	

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 \$17,473,424.35, and the accumulated depreciation is \$6,824,964.54.

10,648,459.81

The difference between the reacquisition price and the net carrying value of old debt (bonds payable) are reported as a deferred inflow of resources.

(2,677.00)

Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.

(8,916.67)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(1,007,820.53)

Net Pension Liability

(1,281,784.00)

Accounts Payable related to the April 1, 2025 Required PERS pension contribution that is not to be liquidated with current financial resources.

(116,188.00)

Deferred Outflows of Resources - Related to Pensions

324,487.00

Deferred Inflows of Resources - Related to Pensions

(472,489.00)

Net position of governmental activities

\$ 7,646,932.08

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

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 1,211,939.00			\$ 524,000.00	\$ 1,735,939.00
Unrestricted Miscellaneous Revenues	1,661.10				1,661.10
Local Sources		\$ 30,421.78			30,421.78
State Sources	7,325,412.49	1,113,810.59			8,439,223.08
Federal Sources	8,630.70	734,197.80			742,828.50
Total Revenues	<u>8,547,643.29</u>	<u>1,878,430.17</u>	<u>-</u>	<u>524,000.00</u>	<u>10,950,073.46</u>
EXPENDITURES:					
Current:					
Regular Instruction	2,191,924.36	1,145,031.93			3,336,956.29
Special Education Instruction	618,137.65				618,137.65
Other Instruction	60,328.00				60,328.00
Undistributed Expenditures:					
Tuition	145,443.51				145,443.51
Student and Instruction Related Services	731,848.49	342,495.18			1,074,343.67
School Administrative Services	76,056.59				76,056.59
General Administrative Services	334,972.70				334,972.70
Central Services	248,546.59				248,546.59
Plant Operations and Maintenance	941,912.88				941,912.88
Pupil Transportation	802,354.09				802,354.09
Unallocated Benefits	1,617,491.24	415,395.00			2,032,886.24
Reimbursed TPAF Pension and Social Security	1,989,644.59				1,989,644.59
Debt Service:					
Interest				49,000.00	49,000.00
Redemption of Principal				475,000.00	475,000.00
Capital Outlay	10,839.00	76,219.96			87,058.96
Transfer to Charter Schools	262,999.86				262,999.86
Total Expenditures	<u>10,032,499.55</u>	<u>1,979,142.07</u>	<u>-</u>	<u>524,000.00</u>	<u>12,535,641.62</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,484,856.26)</u>	<u>(100,711.90)</u>	<u>-</u>	<u>-</u>	<u>(1,585,568.16)</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers In (Out):					
Local Contribution - Transfer to Special Revenue Fund	(70,225.00)	70,225.00			
Net Change in Fund Balances	<u>(1,555,081.26)</u>	<u>(30,486.90)</u>	<u>-</u>	<u>-</u>	<u>(1,585,568.16)</u>
Fund Balance -- July 1 (Deficit)	<u>1,207,103.04</u>	<u>(57,674.65)</u>	<u>-</u>	<u>0.24</u>	<u>1,149,428.63</u>
Fund Balance -- June 30 (Deficit)	<u>\$ (347,978.22)</u>	<u>\$ (88,161.55)</u>	<u>-</u>	<u>\$ 0.24</u>	<u>\$ (436,139.53)</u>

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

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Total Net Change in Fund Balances - Governmental Funds	\$ (1,585,568.16)
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	\$ (372,117.50)
Capital Outlays	<u>87,058.96</u>
	(285,058.54)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	475,000.00
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.	5,667.00
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. This amount is the net effect of the difference in the treatment of interest on long-term debt.	6,215.00
In the statement of activities, certain operating expenses, e.g., compensated absences 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 (+).	53,807.63
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.	<u>117,894.00</u>
Change in Net Position of Governmental Activities	<u><u>\$ (1,212,043.07)</u></u>

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

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2024

	Business-Type Activities - Enterprise Funds
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 61,496.39
Accounts Receivable:	
State	758.09
Federal	26,524.19
Other	2,161.00
Inventory	13,129.32
Interfund Accounts Receivable - General Fund	55,235.97
	<hr/>
Total Current Assets	159,304.96
	<hr/>
Noncurrent Assets:	
Capital Assets:	
Equipment	319,137.95
Less Accumulated Depreciation	(238,175.30)
	<hr/>
Total Noncurrent Assets	80,962.65
	<hr/>
Total Assets	240,267.61
	<hr/>
LIABILITIES:	
Current Liabilities:	
Unearned Revenue	2,173.00
	<hr/>
NET POSITION:	
Net Investment in Capital Assets	80,962.65
Unrestricted	157,131.96
	<hr/>
Total Net Position	\$ 238,094.61
	<hr/> <hr/>

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

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenditures and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for services:	
Daily Sales Non-Reimbursable Programs	\$ 24,569.79
OPERATING EXPENSES:	
Salaries	149,714.22
Employee Benefits	51,719.80
Purchased Professional and Technical Services	50,363.52
Cost of Sales - Reimbursable Programs	321,364.75
Cost of Sales - Non-reimbursable Programs	11,232.60
Supplies and Materials	9,726.84
Miscellaneous	7,424.34
Depreciation	11,535.74
Total Operating Expenses	613,081.81
Operating Income (Loss)	(588,512.02)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	5,351.85
Breakfast After the Bell Program	6,798.40
Federal Sources:	
School Breakfast Program	149,397.30
National School Lunch Program	274,768.45
Food Distribution Program	48,758.59
Supply Chain Assistance Program	16,391.34
P-EBT Administrative Cost Reimbursement	653.00
Total Nonoperating Revenues (Expenses)	502,118.93
Change in Net Position	(86,393.09)
Net Position - July 1	324,487.70
Net Position - June 30	\$ 238,094.61

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

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 24,569.79
Payments to Employees	(149,714.22)
Payments for Employee Benefits	(51,719.80)
Payments to Suppliers	<u>(346,997.45)</u>
Net Cash Provided by (used for) Operating Activities	<u>(523,861.68)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	12,167.75
Federal Sources	441,965.01
Operating Subsidies and Transfers	<u>129,379.60</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>583,512.36</u>
Net Increase (Decrease) in Cash and Cash Equivalents	59,650.68
Cash and Cash Equivalents, July 1	<u>1,845.71</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 61,496.39</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (588,512.02)
Adjustments to Reconcile Operating Income (Loss)	
to Cash Provided (Used) by Operating Activities:	
Depreciation	11,535.74
Food Distribution Program	48,758.59
Change in Assets and Liabilities:	
(Increase) / Decrease in Inventory	<u>4,356.01</u>
Total Adjustments	<u>64,650.34</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (523,861.68)</u></u>

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

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Fairfield School District (the "School District") have been prepared to conform 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 following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades PK through 8 at its one school. The School District has an approximate enrollment at June 30, 2024 of 528.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the School District over which the Board exercises operating control.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-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 government. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges 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 and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Cumberland County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

General Fund - The general fund is the primary operating fund of the School District. 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 non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District 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, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The School District reports the following major governmental funds (cont'd):

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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 New Jersey Economic Development Authority 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 and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

As a rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Lease Receivable

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2024.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. 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:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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 generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. 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 year, school 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. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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.

The budget, as detailed on exhibit C-1, exhibit C-2, and exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Encumbrances (Cont'd)**

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on 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.

Cash, Cash Equivalents and Investments

Cash and cash equivalents, for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. 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 in which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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 Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2024. The School District had no prepaid expenses for the fiscal year ended June 30, 2024.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column.

Capital Assets

Capital assets represent the cumulative amount of capital assets used by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. Intangible right to use assets (lease and subscription assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Subscription assets are recorded as expenditures in the governmental fund financial statements. Subscription assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related subscription liability, plus any payments associated with the arrangement made to the vendor at the commencement of the subscription term and capitalizable initial implementation costs. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the useful life of the assets. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease and subscription term or the useful life of the underlying assets. The useful lives of the School District's capital assets are as follows:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Vehicles and Equipment	5-20 Years	7-20 Years

The School District does not possess any infrastructure assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows of Resources and Deferred Inflows of Resources**

The statement of net position and the balance sheet for governmental funds reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans and defeasance of debt.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2024 and 2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund 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 judgments, 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 normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation or amortization of intangible capital assets, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

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.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statement that will become effective for the School District for fiscal year ending June 30, 2025:

Statement No. 101, *Compensated Absences*. 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

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. All of the School District's bank balances of \$395,187.02 were insured or collateralized as of June 30, 2024.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District 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 School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year is as follows:

Beginning Balance, July 1, 2023	\$ 50,580.47
Decreased by:	
Withdrawals:	
Budget Withdrawal	<u>50,000.00</u>
Ending Balance, June 30, 2024	<u>\$ 580.47</u>

There were no changes to the LRFP during the fiscal year 2024 and the balance in the reserve does not exceed the LRFP balance of local support costs of uncompleted projects. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the School District for the accumulation of funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

A school district may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

The activity of the maintenance reserve for the fiscal year is as follows:

Beginning Balance, July 1, 2023	\$ 154,756.00
Increased by:	
FY24 Contribution	<u>100,000.00</u>
	254,756.00
Decreased by:	
Withdrawals:	
Budget Withdrawal	<u>150,000.00</u>
Ending Balance, June 30, 2024	<u>\$ 104,756.00</u>

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2024 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

	Governmental Funds		Proprietary Funds			
	General	Special	Total	Food	Total	
Description	Fund	Revenue	Governmental	Service	Business-	Total
		Fund	Activities	Fund	Type Activities	
Federal Awards		\$ 145,151.29	\$ 145,151.29	\$ 26,524.19	\$ 26,524.19	\$ 171,675.48
State Awards	\$ 73,457.99		73,457.99	758.09	758.09	74,216.08
Provided Services				2,161.00	2,161.00	2,161.00
Other		2,936.68	2,936.68			2,936.68
	\$ 73,457.99	\$ 148,087.97	\$ 221,545.96	\$ 29,443.28	\$ 29,443.28	\$ 250,989.24

Note 6: INVENTORY

Inventory recorded at June 30, 2024 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 4,862.25
Supplies	<u>8,267.07</u>
	<u>\$ 13,129.32</u>

Note 7: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Retirements and Transfers	Balance June 30, 2024
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 179,994.00			\$ 179,994.00
Total Capital Assets, not being Depreciated	179,994.00	-	-	179,994.00
Capital Assets, being Depreciated:				
Land Improvements	893,996.00	\$ 21,000.00		914,996.00
Building and Improvements	15,737,072.00	17,241.96		15,754,313.96
Vehicles and Equipment	575,303.39	48,817.00		624,120.39
Total Capital Assets, being Depreciated	17,206,371.39	87,058.96	-	17,293,430.35
Total Capital Assets, Cost	17,386,365.39	87,058.96	-	17,473,424.35
Less Accumulated Depreciation for:				
Land Improvements	(237,200.80)	(40,219.80)		(277,420.60)
Building and Improvements	(5,766,228.06)	(320,084.53)		(6,086,312.59)
Vehicles and Equipment	(449,418.18)	(11,813.17)		(461,231.35)
Total Accumulated Depreciation	(6,452,847.04)	(372,117.50)	-	(6,824,964.54)
Total Capital Assets, being Depreciated, Net	10,753,524.35	(285,058.54)	-	10,468,465.81
Governmental Activities Capital Assets, Net	<u>\$ 10,933,518.35</u>	<u>\$ (285,058.54)</u>	<u>-</u>	<u>\$ 10,648,459.81</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Equipment	\$ 319,137.95			\$ 319,137.95
Total Capital Assets, being Depreciated	319,137.95	-	-	319,137.95
Total Capital Assets, Cost	319,137.95	-	-	319,137.95
Less Accumulated Depreciation for:				
Equipment	(226,639.56)	\$ (11,535.74)		(238,175.30)
Total Accumulated Depreciation	(226,639.56)	(11,535.74)	-	(238,175.30)
Total Capital Assets, being Depreciated, Net	92,498.39	(11,535.74)	-	80,962.65
Business-Type Activities Capital Assets, Net	<u>\$ 92,498.39</u>	<u>\$ (11,535.74)</u>	<u>-</u>	<u>\$ 80,962.65</u>

Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:	
Unallocated	<u>\$ 372,117.50</u>
Business-Type Activities:	
Food Service	<u>\$ 11,535.74</u>

Note 8: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 1,225,000.00		\$ (475,000.00)	\$ 750,000.00	\$ 110,000.00
Other Liabilities:					
Compensated Absences	311,628.16	\$ 155,814.08	(209,621.71)	257,820.53	25,782.05
Net Pension Liability	1,175,790.00	1,020,648.00	(914,654.00)	1,281,784.00	
Total Other Liabilities	1,487,418.16	1,176,462.08	(1,124,275.71)	1,539,604.53	25,782.05
Governmental Activities Long-Term Liabilities	<u>\$ 2,712,418.16</u>	<u>\$ 1,176,462.08</u>	<u>\$ (1,599,275.71)</u>	<u>\$ 2,289,604.53</u>	<u>\$ 135,782.05</u>

The bonds payable are generally liquidated by the debt service fund, while compensated absences and net pension liability are liquidated by the general fund.

Bonds Payable - Bonds and loans 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 School District are general obligation bonds and refunding bonds.

Bond issues by the School District are as follows:

During fiscal year 2010, the School District issued \$2,000,000.00 in school general obligation bonds at interest rates varying from 3.00% to 4.00%. The final maturity of these bonds is March 1, 2030. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 110,000.00	\$ 30,000.00	\$ 140,000.00
2026	120,000.00	25,600.00	145,600.00
2027	120,000.00	20,800.00	140,800.00
2028	130,000.00	16,000.00	146,000.00
2029	130,000.00	10,800.00	140,800.00
2030	140,000.00	5,600.00	145,600.00
Total	<u>\$ 750,000.00</u>	<u>\$ 108,800.00</u>	<u>\$ 858,800.00</u>

Bonds Authorized but not Issued - As of June 30, 2024, the School District had no authorizations to issue additional bonded debt.

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, certain School District employees may participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. The DCRP is administered by Empower (formerly Prudential Financial).

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF Board of Trustees is primarily responsible for the administration of the Plan.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Teachers' Pension and Annuity Fund - 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. 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 the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier Definition

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

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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. 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.

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Public Employees' Retirement System - 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 10 years of service.

The membership tiers for PERS are the same as previously noted for TPAF.

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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more service credit before age 62 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 - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2023. The State's contribution is based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 36.66% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2024 because of the 100.00% special funding situation with the State of New Jersey.

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - Based on the most recent TPAF measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2024 was \$1,275,183.00, and was paid by April 1, 2024. School District employee contributions to the Plan during the fiscal year ended June 30, 2024 were \$266,138.50.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2023. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers. The amounts contributed on behalf of the local participating employers under this legislation is considered to be 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 under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 14.49% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2023, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2024 was \$116,188.00, and was paid by April 1, 2024. School District employee contributions to the Plan during the fiscal year ended June 30, 2024 were \$62,946.45.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the School District, under Chapter 133, P.L. 2001, for the fiscal year ended June 30, 2024 was 0.50% of the School District's covered payroll.

Based on the most recent PERS measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2024 was \$3,997.00. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the year ended June 30, 2023 was \$2,474.00.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Teachers' Pension and Annuity Fund**

Pension Liability - At June 30, 2024, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, however, attributable to the School District is as follows:

Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	15,618,382.00
	<u>\$ 15,618,382.00</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. For the June 30, 2023 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2023 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.0306046728%, which was a decrease of 0.0014009895% from its proportion measured as of June 30, 2022.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2024, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2023 measurement date, was \$383,698.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System**

Pension Liability - At June 30, 2024, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The School District reported a liability of \$1,281,784.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2023 measurement date, the School District's proportion was 0.0088494267%, which was an increase of 0.0010582880% from its proportion measured as of June 30, 2022.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2024, the School District recognized pension (benefit) expense of \$23,644.00, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2023 measurement date.

For the fiscal year ended June 30, 2024, the State's proportionate share of the pension (benefit) expense, associated with the School District, under Chapter 133, P.L. 2001, calculated by the Plan as of June 30, 2023 measurement date, was \$3,997.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Deferred Outflows and Inflows of Resources - At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows Resources</u>
Differences between Expected and Actual Experience	\$ 12,256.00	\$ 5,240.00
Changes of Assumptions	2,816.00	77,682.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	5,903.00	-
Changes in Proportion and Differences between Contribution and Proportionate Share of Contributions	187,324.00	389,567.00
Contributions Subsequent to the Measurement Date	116,188.00	-
	<u>\$ 324,487.00</u>	<u>\$ 472,489.00</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$116,188.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2025. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	
2025	\$ (210,698.00)
2026	(114,986.00)
2027	35,150.00
2028	23,408.00
2029	2,936.00
	<u>\$ (264,190.00)</u>

The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>		<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04	June 30, 2023	5.00	-
June 30, 2023	5.08	-			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04
			June 30, 2023	5.08	5.08

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2023 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2022. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 4.25%	2.75% - 6.55%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

For TPAF, 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 Healthy 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 future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

For PERS, 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 is based on Scale MP-2021.

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2023 measurement date) 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 rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2023 measurement date 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	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Discount Rate -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 would 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments in determining the total pension liability.

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate (Cont'd) -**

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 would 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 in determining the total pension liability.

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

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2023, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2023 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 7.00% as well as what the State's 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:

	TPAF		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	18,416,907.00	15,618,382.00	13,261,359.00
	<u>\$ 18,416,907.00</u>	<u>\$ 15,618,382.00</u>	<u>\$ 13,261,359.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2023, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 1,668,610.00	\$ 1,281,784.00	\$ 952,544.00
	<u>\$ 1,668,610.00</u>	<u>\$ 1,281,784.00</u>	<u>\$ 952,544.00</u>

Note 9: PENSION PLANS (CONT'D)**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Contributions - The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the "State") in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

Employees Covered by Benefit Terms - At June 30, 2023, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	152,383
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>369,595</u>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the statement of net position.

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2024 was 21,681,242.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. For the June 30, 2023 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0.0414067060%, which was a decrease of 0.0006030431% from its proportion measured as of June 30, 2022.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2022, which was rolled forward to June 30, 2023, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u> *
Salary Increases	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

* based on service years

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)****Actuarial Assumptions and Other Inputs (Cont'd) -**

Mortality Rates - 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 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Experience Studies - The actuarial assumptions used in the June 30, 2022 valuation, which was rolled forward to June 30, 2023, were based on the results of actuarial experience studies for the periods July 1, 2018 to June 30, 2021 for TPAF, PERS, and PFRS.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate - The discount rate for June 30, 2023 measurement date was 3.65%. 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.

Changes in the Total Non-Employer OPEB Liability

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the School District:

Balance at June 30, 2023		\$ 21,276,452.00
Changes for the Year:		
Service Cost	\$ 736,009.00	
Interest Cost	763,587.00	
Changes in Benefit Terms	-	
Difference between Expected and Actual Experience	(562,846.00)	
Changes in Assumptions	43,700.00	
Member Contributions	19,568.00	
Gross Benefit Payments	(595,228.00)	
Net Changes		<u>404,790.00</u>
Balance at June 30, 2024		<u>\$ 21,681,242.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

Differences between expected and actual experience reflect a decrease in liability for the measurement period from June 30, 2022 to June 30, 2023 due to changes in the census and premium and claims experience.

Changes in assumptions reflect an increase in the liability for the measurement period from June 30, 2022 to June 30, 2023 due to the combined effect of the discount rate change; and changes in the trend update.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2023, associated with the School District, using a discount rate of 3.65%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	<u>\$ 25,417,534.00</u>	<u>\$ 21,681,242.00</u>	<u>\$ 18,681,433.00</u>

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2023, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	<u>\$ 17,998,774.00</u>	<u>\$ 21,681,242.00</u>	<u>\$ 26,499,762.00</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability

OPEB Expense - For the fiscal year ended June 30, 2024, the School District recognized \$180,512.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2023 measurement date.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2024, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 3,163,355.00	\$ 5,710,623.00
Changes of Assumptions	3,083,100.00	5,983,248.00
Changes in Proportion	<u>382,022.00</u>	<u>2,109,312.00</u>
	<u><u>\$ 6,628,477.00</u></u>	<u><u>\$ 13,803,183.00</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the School District, will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2025	\$ (1,320,102.00)
2026	(1,320,102.00)
2027	(1,170,886.00)
2028	(829,432.00)
2029	(416,786.00)
Thereafter	<u>(2,117,398.00)</u>
	<u><u>\$ (7,174,706.00)</u></u>

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2024, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$1,345,095.00, \$15,340.00, \$370,261.00 and \$614.00, respectively.

Note 12: RISK MANAGEMENT

The School 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.

Joint Insurance Pool - The School District is a member of the Gloucester, Cumberland, and Salem School Districts Joint Insurance Fund (GCSSDJIF). The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained at <https://www.spelljif.com>.

Note 13: DEFERRED COMPENSATION

The School District offers its employees a choice of four deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans permit 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:

GWN Securities, Inc.
Equitable
Lincoln
Prudential

Note 14: COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. Upon termination, employees are paid for accrued vacation. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2024, the liability for compensated absences reported on the government-wide statement of net position was \$239,498.85.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The composition of interfund balances as of June 30, 2024 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 218,600.94	\$ 55,236.21
Special Revenue		218,600.94
Debt Service	0.24	
Proprietary	55,235.97	
	<u>\$ 273,837.15</u>	<u>\$ 273,837.15</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2025, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Transfers -

	<u>Transfer In:</u>
	<u>Special Revenue Fund</u>
<u>Transfer Out:</u>	
General Fund	<u>\$ 70,225.00</u>

The General Fund transfer out listed above was made for the School District's local share of the Preschool Education Program.

Note 16: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 17: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 18: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Capital Reserve Account - As of June 30, 2024, the balance in the capital reserve account is \$580.47. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2024, the balance in the maintenance reserve account is \$104,756.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Special Revenue Fund

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2024 is \$31,220.95.

Debt Service Fund - As of June 30, 2024 the restricted debt service fund balance is \$0.24. This balance was created by the completion of various capital projects under original cost. This amount will be utilized in future years to offset debt service payments.

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2025 \$7,688.00 of general fund balance at June 30, 2024.

Note 18: FUND BALANCES (CONT'D)**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2024, (\$461,002.69) of general fund balance was unassigned.

Special Revenue Fund - As of June 30, 2024, the fund balance of the special revenue fund was a deficit of \$119,382.50, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. The State records the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$119,382.50 is equal to the last state aid payment due to the special revenue fund.

Note 19: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$461,002.69 in the general fund and \$119,382.50 in the special revenue fund as of June 30, 2024 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 year, school 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 statute 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 recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments 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 School District deficit in the GAAP funds statements of \$461,002.69 is less than the June state aid payments.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,211,939.00		\$ 1,211,939.00	\$ 1,211,939.00	
Unrestricted Miscellaneous Revenues				1,661.10	\$ 1,661.10
Total - Local Sources	1,211,939.00	-	1,211,939.00	1,213,600.10	1,661.10
State Sources:					
Categorical Special Education Aid	357,285.00		357,285.00	357,285.00	
Equalization Aid	4,579,726.00		4,579,726.00	4,579,726.00	
Categorical Security Aid	168,555.00		168,555.00	168,555.00	
Categorical Transportation Aid	163,986.00		163,986.00	163,986.00	
Other State Aid:					
Extraordinary Aid	30,000.00		30,000.00	60,767.00	30,767.00
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				370,261.00	370,261.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				1,345,095.00	1,345,095.00
On-Behalf T.P.A.F. Pension Contributions - Non-contributory Insurance (non-budgeted)				15,340.00	15,340.00
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability Insurance Premium (LTDI) (non-budgeted)				614.00	614.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				258,334.59	258,334.59
Total - State Sources	5,299,552.00	-	5,299,552.00	7,319,963.59	2,020,411.59
Federal Sources:					
Medicaid Reimbursement	14,882.00	-	14,882.00	8,630.70	(6,251.30)
Total - Federal Sources	14,882.00	-	14,882.00	8,630.70	(6,251.30)
Total Revenues	6,526,373.00	-	6,526,373.00	8,542,194.39	2,015,821.39 (Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 185,904.00		\$ 174,161.00	\$ 174,161.00	
Grades 1 - 5	898,328.00		1,071,706.10	1,070,457.74	\$ 1,248.36
Grades 6 - 8	714,756.00		668,444.73	668,444.73	
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000.00		8,700.00	8,700.00	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	58,633.00		154,222.64	137,222.21	17,000.43
Purchased Professional - Educational Services	32,000.00		56,500.00	44,178.55	12,321.45
Purchased Technical Services			16,500.00	16,487.31	12.69
General Supplies	16,200.00		76,579.65	72,272.82	4,306.83
Total Regular Programs - Instruction	<u>1,915,821.00</u>	<u>\$ 310,993.12</u>	<u>2,226,814.12</u>	<u>2,191,924.36</u>	<u>34,889.76</u>

(Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT

General Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education Instruction (Cont'd):					
Multiple Disabilities:					
Salaries of Teachers	\$ 78,253.00		\$ 197,690.10	\$ 169,020.10	\$ 28,670.00
Other Salaries for Instruction	45,548.00		56,509.00	56,209.50	299.50
General Supplies	1,000.00		1,000.00	529.22	470.78
Total - Multiple Disabilities	124,801.00	\$ 130,398.10	255,199.10	225,758.82	29,440.28
Resource Room/Center:					
Salaries of Teachers	281,606.00		351,148.27	351,148.22	0.05
Other Salaries for Instruction	34,590.00		36,163.00	35,969.83	193.17
General Supplies	1,000.00		1,000.00	91.18	908.82
Total - Resource Room/Center	317,196.00	71,115.27	388,311.27	387,209.23	1,102.04
Home Instruction					
Salaries Of Teachers	7,000.00		5,170.00	5,169.60	0.40
Total Home Instruction	7,000.00	(1,830.00)	5,170.00	5,169.60	0.40
Total - Special Education Instruction	448,997.00	199,683.37	648,680.37	618,137.65	30,542.72
					(Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Basic Skills/Remedial:					
Salaries of Teachers			\$ 650.00	\$ 650.00	
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 74,213.00		54,213.00	54,213.00	
Total - Bilingual Education - Instruction	74,213.00	\$ (20,000.00)	54,213.00	54,213.00	-
School-Sponsored Cocurricular Act - Instruction:					
Salaries	15,000.00		11,974.76	3,401.25	\$ 8,573.51
Supplies and Materials	2,500.00		2,500.00		2,500.00
Total - School-Sponsored Cocurricular Act - Instruction	17,500.00	(3,025.24)	14,474.76	3,401.25	11,073.51
School-Sponsored Athletics - Instruction:					
Salaries	5,000.00		800.00		800.00
Purchased Services	6,000.00		6,000.00	675.00	5,325.00
Supplies and Materials	1,000.00		1,000.00		1,000.00
Other Objects	1,200.00		1,400.00	1,388.75	11.25
Total - School-Sponsored Athletics - Instruction	13,200.00	(4,000.00)	9,200.00	2,063.75	7,136.25
Total - Instruction	2,469,731.00	484,301.25	2,954,032.25	2,870,390.01	83,642.24 (Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs within the State - Special	\$ 25,000.00		\$ 47,030.00	\$ 47,029.74	\$ 0.26
Tuition to CSSD & Regional Day Schools	130,000.00		102,265.32	85,675.17	16,590.15
Tuition to Private Schools for the Disabled - State	113,965.00		13,555.00	12,738.60	816.40
Total - Instruction	268,965.00	\$ (106,114.68)	162,850.32	145,443.51	17,406.81
Health Services:					
Salaries	63,370.00		63,370.40	63,370.40	
Purchased Professional and Technical Services			2,050.00	2,047.50	2.50
Other Purchased Services			405.00	404.88	0.12
Supplies and Materials			1,645.00	1,031.56	613.44
Total - Health Services	63,370.00	4,100.40	67,470.40	66,854.34	616.06
Other Support Services-Speech, OT, PT & Related Services:					
Purchased Professional - Educational Services	65,000.00		60,660.00	60,650.80	9.20
Supplies and Materials			1,000.00	933.03	66.97
Total - Other Support Services-Speech, OT, PT & Related Services	65,000.00	(3,340.00)	61,660.00	61,583.83	76.17
Other Support Services - Students - Extra Services:					
Salaries			113,477.00	113,433.91	43.09
Purchased Professional - Educational Services	9,500.00		89,200.00	89,168.50	31.50
Total Other Support Services - Students - Extra Services	9,500.00	193,177.00	202,677.00	202,602.41	74.59
					(Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Guidance:					
Salaries of Other Professional Staff	\$ 62,123.00	\$ (34,167.00)	\$ 27,956.00	\$ 27,955.35	\$ 0.65
Supplies and Materials	500.00				
Total Guidance	62,623.00	(34,667.00)	27,956.00	27,955.35	0.65
Child Study Team:					
Salaries of Other Professional Staff	236,200.00		269,261.35	269,203.35	58.00
Salaries of Secretarial and Clerical Assistants			37,377.00	37,376.90	0.10
Purchased Professional - Educational Services	12,000.00		6,750.00	5,895.00	855.00
Supplies and Materials	500.00		2,060.00	2,050.23	9.77
Total Child Study Team	248,700.00	66,748.35	315,448.35	314,525.48	922.87
Improvement Instructional Services:					
Salaries of Facilitators, Math and Literacy Coaches	47,638.00		39,141.44	39,141.44	
Total Improvement Instructional Services	47,638.00	(8,496.56)	39,141.44	39,141.44	-
					(Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Educational Media Services/School Library:					
Salaries of Technology Coordinators			\$ 17,324.25	\$ 17,324.25	
Supplies and Materials	\$ 500.00		109.00	108.99	\$ 0.01
Total Educational Media Services/School Library	500.00	\$ 16,933.25	17,433.25	17,433.24	0.01
Instructional Staff Training Services:					
Travel - Other		1,800.00	1,800.00	1,752.40	47.60
Total Instructional Staff Training Services	-	1,800.00	1,800.00	1,752.40	47.60
Support Services General Administration:					
Salaries	198,512.00		206,272.00	198,111.84	8,160.16
Legal Services	40,000.00		18,800.00	18,795.24	4.76
Audit Fees	23,000.00		38,620.00	32,827.00	5,793.00
					(Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Support Services General Administration (Cont'd):					
Purchased Technical Services	\$ 18,000.00		\$ 25,500.00	\$ 25,487.31	\$ 12.69
Communications/Telephone	45,000.00		30,481.00	30,476.52	4.48
BOE Other Purchased Services	2,500.00		17,200.00	17,200.00	
General Supplies	2,343.00		1,493.00	1,491.78	1.22
Miscellaneous Purchased Services	2,000.00		4,271.00	4,269.17	1.83
Judgments Against the School Entity	15,000.00				
Miscellaneous	2,000.00		1,804.00	1,801.79	2.21
BOE Membership Dues and Fees	4,500.00		4,550.00	4,512.05	37.95
Total Support Services General Administration	352,855.00	\$ (3,864.00)	348,991.00	334,972.70	14,018.30
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	58,968.00		58,993.00	58,673.16	319.84
Salaries of Secretarial and Clerical Assistants	48,787.00		12,407.48		12,407.48
Other Purchased Services			9,900.00	9,793.00	107.00
Supplies and Materials	1,000.00		4,900.00	4,870.43	29.57
Other Objects	2,000.00		2,720.00	2,720.00	
Total Support Services School Administration	110,755.00	(21,834.52)	88,920.48	76,056.59	12,863.89
					(Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Central Services:					
Salaries	\$ 60,200.00		\$ 42,767.50	\$ 42,450.00	\$ 317.50
Purchased Professional Services	161,600.00		153,668.00	153,664.00	4.00
Purchased Technical Services	35,998.00		41,200.00	41,198.08	
Miscellaneous Purchased Services	6,000.00		6,400.00	6,149.00	251.00
Supplies and Materials	4,000.00		4,000.00	3,880.57	119.43
Miscellaneous Expenditures	1,500.00		1,425.00	1,204.94	220.06
Total Central Services	269,298.00	\$ (19,837.50)	249,460.50	248,546.59	911.99
Administration - Information Technology:					
Purchased Technical Services			28,626.00	28,625.77	0.23
Total - Administration - Information Technology	-	28,626.00	28,626.00	28,625.77	0.23
Required Maintenance for School Facilities:					
Salaries	70,798.00		69,798.00	69,617.88	180.12
Cleaning, Repair & Maintenance Services	40,000.00		73,136.82	73,120.09	16.73
General Supplies	40,000.00		26,950.00	26,591.37	358.63
Total - Required Maintenance for School Facilities	150,798.00	19,086.82	169,884.82	169,329.34	555.48

(Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Custodial Services:					
Salaries	\$ 82,520.00	\$ 77,847.51	\$ 160,367.51	\$ 160,367.51	
Cleaning, Repair & Maintenance Services			90,100.00	90,070.27	\$ 29.73
Other Purchased Property Services	8,500.00		8,500.00	7,787.08	712.92
Insurance	60,000.00		67,000.00	66,654.00	346.00
General Supplies	30,000.00		19,183.53	19,183.02	0.51
Energy (Natural Gas)	13,013.00		17,000.00	10,919.25	6,080.75
Energy (Electricity)	160,688.00		177,309.36	152,215.14	25,094.22
Total Custodial Services	354,721.00	184,739.40	539,460.40	507,196.27	32,264.13
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	7,000.00		49,034.29	39,792.54	9,241.75
Total Care and Upkeep of Grounds	7,000.00	42,034.29	49,034.29	39,792.54	9,241.75
Security:					
Salaries			32,200.00	31,871.17	328.83
Purchased Professional & Technical Services			8,150.00	7,411.79	738.21
Total Security	-	40,350.00	40,350.00	39,282.96	1,067.04
Student Transportation Services:					
Management Fee - ES & CTSA Trans. Program	24,000.00		17,055.00	17,055.00	

(Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT

General Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Student Transportation Services (Cont'd):					
Contracted Services (Bet. Home & Sch) - Joint Agreements	\$ 426,884.00		\$ 440,562.00	\$ 426,103.98	\$ 14,458.02
Contracted Services (Special Ed. Students) - Vendors	150,000.00		322,322.00	306,956.11	15,365.89
Contracted Services - Aid in Lieu of Payments - NonPublic School	21,000.00		16,893.00	16,892.50	0.50
Contracted Services - Aid in Lieu of Payments - Charter School	10,000.00		11,650.00	11,067.50	582.50
Contracted Services - Aid in Lieu of Payments - Choice School	24,000.00		23,402.00	23,300.00	102.00
Contracted Services - Other			3,554.00	979.00	2,575.00
Total Student Transportation Services	655,884.00	\$ 179,554.00	835,438.00	802,354.09	33,083.91
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	100,000.00		141,000.00	129,776.33	11,223.67
T.P.A.F. Contributions - ERIP	139,151.00		128,151.00	111,830.94	16,320.06
Other Retirement Contributions -- PERS	145,000.00		150,000.00	131,768.78	18,231.22
Unemployment Compensation	30,000.00		32,500.00	23,266.86	9,233.14
Workmen's Compensation	65,000.00		66,000.00	65,770.00	230.00
Health Benefits	1,086,574.00		1,186,609.50	1,146,935.73	39,673.77
Tuition Reimbursement	5,000.00		7,542.60	7,542.60	
Other Employee Benefits			899.40	600.00	299.40
Total Unallocated Benefits - Employee Benefits	1,570,725.00	141,977.50	1,712,702.50	1,617,491.24	95,211.26
					(Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
On-Behalf T.P.A.F. Pension Contributions -					
Post-Retirement Medical (non-budgeted)				\$ 370,261.00	\$ (370,261.00)
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				1,345,095.00	(1,345,095.00)
On-Behalf T.P.A.F. Pension Contributions -					
Non-contributory Insurance (non-budgeted)				15,340.00	(15,340.00)
On-Behalf T.P.A.F. Pension Contributions -					
Long Term Disability Insurance Premium (LTDI) (non-budgeted)				614.00	(614.00)
Reimbursed TPAF Social Security Contributions				258,334.59	(258,334.59)
Total On-Behalf Contributions	-	-	-	1,989,644.59	(1,989,644.59)
Total Undistributed Expenses	\$ 4,238,332.00	\$ 720,972.75	\$ 4,959,304.75	6,730,584.68	(1,771,281.85)
Total Expenditures - Current Expense	6,708,063.00	1,205,274.00	7,913,337.00	9,600,974.69	(1,687,639.61)
CAPITAL OUTLAY:					
Facilities Acquisition and Construction Services:					
Undistributed Expenditures:					
Construction Services	50,000.00		10,839.00	10,839.00	
Assessment for Debt Service on SDA Funding	157,686.00		157,686.00	157,686.00	
Total Capital Outlay	207,686.00	(39,161.00)	168,525.00	168,525.00	-
					(Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Transfer of Funds to Charter Schools	\$ 155,863.00	\$ 107,137.00	\$ 263,000.00	\$ 262,999.86	\$ 0.14
Total Expenditures	<u>7,071,612.00</u>	<u>1,273,250.00</u>	<u>8,344,862.00</u>	<u>10,032,499.55</u>	<u>(1,687,639.47)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(545,239.00)</u>	<u>(1,273,250.00)</u>	<u>(1,818,489.00)</u>	<u>(1,490,305.16)</u>	<u>328,181.92</u>
Other Financing Sources (Uses):					
Operating Transfers Out:					
Local Contribution - Transfer to Special Revenue Fund	<u>(70,225.00)</u>		<u>(70,225.00)</u>	<u>(70,225.00)</u>	
Total - Other Financing Sources (Uses)	<u>(70,225.00)</u>	<u>-</u>	<u>(70,225.00)</u>	<u>(70,225.00)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(615,464.00)</u>	<u>(1,273,250.00)</u>	<u>(1,888,714.00)</u>	<u>(1,560,530.16)</u>	<u>328,181.92</u>
Fund Balances, July 1	<u>1,706,738.44</u>	<u>-</u>	<u>1,706,738.44</u>	<u>1,706,738.44</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 1,091,274.44</u>	<u>\$ (1,273,250.00)</u>	<u>\$ (181,975.56)</u>	<u>\$ 146,208.28</u>	<u>\$ 328,181.92</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 580.47	
Maintenance Reserve				104,756.00	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				7,688.00	
Unassigned Fund Balance				<u>33,183.81</u>	
				146,208.28	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				<u>(494,186.50)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ (347,978.22)</u>	

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT

Special Revenue Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 8,000.00	\$ 22,500.00	\$ 30,500.00	\$ 30,421.78	\$ (78.22)
Total - Local Sources	8,000.00	22,500.00	30,500.00	30,421.78	(78.22)
State Sources:					
Non-Public Tech Support	2,695.00		2,695.00	1,819.07	(875.93)
Non-Public Security Support	12,915.00		12,915.00	3,700.85	(9,214.15)
School Climate Change	2,000.00		2,000.00	2,000.00	
SDA Emergent and Capital Needs	11,975.00		11,975.00	11,975.00	
Preschool Education Aid	1,280,438.60		1,280,438.60	1,124,802.57	(155,636.03)
Total - State Sources	1,310,023.60	-	1,310,023.60	1,144,297.49	(165,726.11)
Federal Sources:					
Title I	300,083.00		300,083.00	275,172.07	(24,910.93)
Title IIA	21,215.00		21,215.00	13,926.00	(7,289.00)
Title III	11,216.00		11,216.00	5,156.82	(6,059.18)
Title IV	22,615.00		22,615.00	15,000.00	(7,615.00)
I.D.E.A., Basic Part B	183,370.00		183,370.00	183,370.00	
I.D.E.A., Part B, Preschool	6,031.00		6,031.00	6,031.00	
High Impact Tutoring	47,926.00		47,926.00	29,460.00	(18,466.00)
ESSER II				677.00	677.00
ESSER III - American Rescue Plan	275,943.00		275,943.00	186,334.91	(89,608.09)
Total - Federal Sources	868,399.00	-	868,399.00	715,127.80	(153,271.20)
Total Revenues	2,186,422.60	22,500.00	2,208,922.60	1,889,847.07	(319,075.53)

(Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT

Special Revenue Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 620,031.60	\$ (619.06)	\$ 619,412.54	\$ 588,673.94	\$ 30,738.60
Other Salaries for Instruction	235,321.00		235,321.00	229,645.36	5,675.64
Purchased Educational and Technical Services	65,098.00		65,098.00	61,268.90	3,829.10
Other Purchased Services	183,370.00		183,370.00	183,370.00	
General Supplies	217,908.00	(122.84)	217,785.16	82,073.73	135,711.43
Total Instruction	1,321,728.60	(741.90)	1,320,986.70	1,145,031.93	175,954.77
Support Services:					
Salaries	71,348.00	(18,980.94)	52,367.06	52,367.06	
Salaries of Program Directors	34,632.00	19,600.00	54,232.00	47,338.84	6,893.16
Salaries of Secretarial and Clerical Assistants	41,971.90		41,971.90	41,971.90	
Other Salaries	35,483.99		35,483.99	32,385.08	3,098.91
Salaries of Master Teachers	74,899.11		74,899.11	74,899.11	
Personal Services-Employee Benefits	396,325.00		396,325.00	396,325.00	
Purchased Professional and Technical Services	8,857.00		8,857.00	6,031.00	2,826.00
Cleaning, Repair and Maintenance Services	29,076.00		29,076.00	11,975.00	17,101.00
Contract Services - Transportation (Between Home and School)	20,000.00		20,000.00	20,000.00	
Contract Services - Transportation (Field Trip)	3,000.00		3,000.00	1,850.00	1,150.00
Travel	792.00	1,216.00	2,008.00	791.70	1,216.30
Other Purchased Services	16,436.00		16,436.00	9,979.98	6,456.02
Supplies and Materials	13,733.00	122.84	13,855.84	12,483.73	1,372.11
Other Objects	1,216.00	(1,216.00)			
Student Activities	8,000.00	22,500.00	30,500.00	30,421.78	78.22
Total Support Services	755,770.00	23,241.90	779,011.90	738,820.18	40,191.72
Facilities Acquisition and Construction Services:					
Construction Services	69,678.00		69,678.00	69,678.00	
Non-Instructional Equipment	39,246.00		39,246.00	6,541.96	32,704.04
Total Facilities Acquisition and Construction Services	108,924.00	-	108,924.00	76,219.96	32,704.04
Total Expenditures	2,186,422.60	22,500.00	2,208,922.60	1,960,072.07	248,850.53

(Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Special Revenue Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Other Financing Sources (Uses):					
Transfer from/(to) General Fund				\$ 70,225.00	\$ (70,225.00)
Total Other Financing Sources (Uses)				70,225.00	(70,225.00)
Total Expenditures and Other Financing Sources (Uses)	\$ 2,186,422.60	\$ 22,500.00	\$ 2,208,922.60	1,889,847.07	319,075.53
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1				31,220.95	
Fund Balance, June 30				\$ 31,220.95	
Recapitulation:					
Restricted:					
Student Activities				\$ 31,220.95	
Reconciliation to Governmental Funds Statements (GAAP)					
Fiscal Year 2024 Last State Aid Payment not Recognized on GAAP Basis				(119,382.50)	
Fund Balance per Governmental Funds (GAAP)				\$ (88,161.55)	

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2024

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

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 8,542,194.39	\$1,889,847.07
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		19,070.00
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	499,635.40	88,895.60
State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(494,186.50)</u>	<u>(119,382.50)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u><u>\$ 8,547,643.29</u></u>	<u><u>\$1,878,430.17</u></u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 10,032,499.55	\$1,960,072.07
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>19,070.00</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u><u>\$ 10,032,499.55</u></u>	<u><u>\$1,979,142.07</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Plan Years

	Measurement Date Ending June 30,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.8849426700%	0.0077911387%	0.0090266019%	0.0100633524%	0.0131048923%
Proportionate Share of the Net Pension Liability	\$ 1,281,784.00	\$ 1,175,790.00	\$ 1,069,336.00	\$ 1,641,070.00	\$ 2,361,303.00
Covered Payroll (Plan Measurement Period)	\$ 720,224.00	\$ 641,696.00	\$ 722,544.00	\$ 804,756.00	\$ 990,836.00
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	177.97%	183.23%	148.00%	203.92%	238.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	70.33%	58.32%	56.27%	53.60%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.0081037368%	0.0087157375%	0.0086352131%	0.0091506444%	0.0093970591%
Proportionate Share of the Net Pension Liability	\$ 1,595,585.00	\$ 2,028,884.00	\$ 2,557,502.00	\$ 2,054,136.00	\$ 1,759,386.00
Covered Payroll (Plan Measurement Period)	\$ 642,432.00	\$ 640,424.00	\$ 681,588.00	\$ 726,964.00	\$ 750,020.00
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	248.37%	316.80%	375.23%	282.56%	234.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT

Required Supplementary Information
Schedule of the School District's Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years

	Fiscal Year Ended June 30,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 116,188.00	\$ 118,275.00	\$ 98,250.00	\$ 105,712.00	\$ 110,088.00
Contributions in Relation to the Contractually Required Contribution	<u>(116,188.00)</u>	<u>(118,275.00)</u>	<u>(98,250.00)</u>	<u>(105,712.00)</u>	<u>(110,088.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Fiscal Year)	\$ 801,872.00	\$ 638,201.00	\$ 593,165.00	\$ 562,953.00	\$ 648,153.00
Contributions as a Percentage of Covered Payroll	14.49%	18.53%	16.56%	18.78%	16.98%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 127,472.00	\$ 80,606.00	\$ 80,742.00	\$ 76,714.00	\$ 78,671.00
Contributions in Relation to the Contractually Required Contribution	<u>(127,472.00)</u>	<u>(80,606.00)</u>	<u>(80,742.00)</u>	<u>(76,714.00)</u>	<u>(78,671.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Fiscal Year)	\$ 721,710.00	\$ 773,440.00	\$ 538,876.00	\$ 539,382.00	\$ 602,581.00
Contributions as a Percentage of Covered Payroll	17.66%	10.42%	14.98%	14.22%	13.06%

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Plan Years

	Measurement Date Ending June 30,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability associated with the Employer	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability associated with the Employer	<u>15,618,382.00</u>	<u>16,513,134.00</u>	<u>16,439,838.00</u>	<u>24,259,528.00</u>	<u>19,352,466.00</u>
	<u>\$ 15,618,382.00</u>	<u>\$ 16,513,134.00</u>	<u>\$ 16,439,838.00</u>	<u>\$ 24,259,528.00</u>	<u>\$ 19,352,466.00</u>
Covered Payroll (Measurement Period)	\$ 4,584,592.00	\$ 4,197,960.00	\$ 4,411,348.00	\$ 4,405,500.00	\$ 4,685,272.00
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	340.67%	393.36%	372.67%	550.66%	413.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	32.29%	35.52%	24.60%	26.95%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability associated with the Employer	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability associated with the Employer	<u>21,042,651.00</u>	<u>22,393,237.00</u>	<u>27,390,015.00</u>	<u>21,591,343.00</u>	<u>19,433,469.00</u>
	<u>\$ 21,042,651.00</u>	<u>\$ 22,393,237.00</u>	<u>\$ 27,390,015.00</u>	<u>\$ 21,591,343.00</u>	<u>\$ 19,433,469.00</u>
Covered Payroll (Measurement Period)	\$ 3,897,752.00	\$ 4,021,720.00	\$ 4,028,208.00	\$ 4,187,700.00	\$ 4,221,108.00
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	539.87%	556.81%	679.96%	515.59%	460.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2024

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	4.86%
2022	7.00%	2017	4.25%
2021	7.00%	2016	3.22%
2020	5.40%	2015	4.13%
2019	5.60%	2014	4.68%

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	7.00%
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	5.66%
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%
2019	6.28%	2014	5.39%

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	7.00%
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
Last Seven Plan Years

Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District	Measurement Date Ended June 30,			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Changes for the Year:				
Service Cost	\$ 736,009.00	\$ 1,016,055.00	\$ 1,276,519.00	\$ 850,789.00
Interest Cost	763,587.00	563,849.00	680,662.00	687,804.00
Changes in Benefit Terms			(27,928.00)	
Difference between Expected and Actual Experience	(562,846.00)	(294,045.00)	(4,918,916.00)	4,205,950.00
Changes in Assumptions	43,700.00	(5,707,599.00)	25,887.00	5,429,066.00
Member Contributions	19,568.00	17,917.00	17,401.00	15,683.00
Gross Benefit Payments	(595,228.00)	(558,510.00)	(536,171.00)	(517,424.00)
Net Change in Total Non-Employer OPEB Liability	404,790.00	(4,962,333.00)	(3,482,546.00)	10,671,868.00
Total Non-Employer OPEB Liability - July 1	<u>21,276,452.00</u>	<u>26,238,785.00</u>	<u>29,721,331.00</u>	<u>19,049,463.00</u>
Total Non-Employer OPEB Liability - June 30	<u>\$ 21,276,452.00</u>	<u>\$ 21,276,452.00</u>	<u>\$ 26,238,785.00</u>	<u>\$ 29,721,331.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 3,556,352.00</u>	<u>\$ 4,376,985.00</u>	<u>\$ 4,042,743.00</u>	<u>\$ 4,339,477.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	609.65%	486.10%	649.03%	684.91%
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District	Measurement Date Ended June 30,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Changes for the Year:				
Service Cost	\$ 774,152.00	\$ 798,815.00	\$ 963,147.00	
Interest Cost	844,258.00	873,673.00	758,803.00	
Changes in Benefit Terms				
Difference between Expected and Actual Experience	(3,607,869.00)	(1,231,137.00)		
Changes in Assumptions	284,029.00	(2,446,843.00)	(3,236,996.00)	
Member Contributions	17,334.00	19,705.00	20,365.00	
Gross Benefit Payments	(584,762.00)	(570,151.00)	(553,071.00)	
Net Change in Total Non-Employer OPEB Liability	(2,272,858.00)	(2,555,938.00)	(2,047,752.00)	
Total Non-Employer OPEB Liability - July 1	<u>21,322,321.00</u>	<u>23,878,259.00</u>	<u>25,926,011.00</u>	
Total Non-Employer OPEB Liability - June 30	<u>\$ 19,049,463.00</u>	<u>\$ 21,322,321.00</u>	<u>\$ 23,878,259.00</u>	
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 4,504,216.00</u>	<u>\$ 4,564,421.00</u>	<u>\$ 3,821,549.00</u>	
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	422.93%	467.14%	624.83%	

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Required Supplementary Information - Part IV
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2024

Changes in Benefit Terms:

None.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	3.65%	2019	3.50%
2022	3.54%	2018	3.87%
2021	2.16%	2017	3.58%
2020	2.21%		

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included update in trend and experience study.

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend is 5.00%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	E.S.S.A.					I. D. E. A. -- Part B			ESSER III- Accelerated Learning		ARP Homeless	High Impact Tutoring	School Climate Change Grant	Preschool Education Aid	SDA Emergent and Capital Needs	Non-Public Tech Support	Non-Public Security Support	Student Activity Fund
	Total	Title I	Title I SIA	Title IIA	Title III	Title IV	Basic	Preschool	ARP ESSER III									
REVENUES:																		
Federal Sources	\$ 715,127.80	\$ 225,944.00	\$ 49,228.07	\$ 13,926.00	\$ 5,156.82	\$ 15,000.00	\$ 183,370.00	\$ 6,031.00	\$ 136,334.91	\$ 50,000.00	\$ 677.00	\$ 29,460.00		\$ 2,000.00	\$ 1,124,802.57	\$ 11,975.00	\$ 1,819.07	\$ 3,700.85
State Sources	1,144,297.49																	\$ 30,421.78
Local Sources	30,421.78																	
Total Revenues	1,889,847.07	225,944.00	49,228.07	13,926.00	5,156.82	15,000.00	183,370.00	6,031.00	136,334.91	50,000.00	677.00	29,460.00	2,000.00	1,124,802.57	11,975.00	1,819.07	3,700.85	30,421.78
EXPENDITURES:																		
Instruction:																		
Salaries of Teachers	588,673.94	123,766.94	25,820.00			15,000.00			31,492.00	50,000.00				342,595.00				
Other Salaries for Instruction	229,645.36													229,645.36				
Purchased Educational and Technical Services	61,268.90		5,012.00									29,448.00		26,808.90				
Other Purchased Services	183,370.00						183,370.00											
General Supplies	82,073.73	520.00	3,393.23		4,149.84				35,164.91			12.00	2,000.00	31,313.83		1,819.07	3,700.85	
Total Instruction	1,145,031.93	124,286.94	34,225.23		4,149.84	15,000.00	183,370.00		66,656.91	50,000.00		29,460.00	2,000.00	630,363.09	-	1,819.07	3,700.85	-
Support Services:																		
Salaries	52,367.06	46,737.06		5,630.00														
Salaries of Program Directors	47,338.84		12,880.00											34,458.84				
Salaries of Secretarial and Clerical Assistants	41,971.90													41,971.90				
Other Salaries	32,385.08													32,385.08				
Salaries of Master Teachers	74,899.11													74,899.11				
Personal Services-Employee Benefits	396,325.00	54,920.00												341,405.00				
Purchased Professional and Technical Services	6,031.00							6,031.00										
Cleaning, Repair and Maintenance Services	11,975.00														11,975.00			
Contract Services - Transportation (Between Home and School)	20,000.00													20,000.00				
Contract Services - Transportation (Field Trip)	1,850.00													1,850.00				
Travel	791.70													791.70				
Other Purchased Services	9,979.98			8,296.00	1,006.98						677.00							
Supplies and Materials	12,483.73		2,122.84											10,360.89				
Student Activities	30,421.78																	30,421.78
Total Support Services	738,820.18	101,657.06	15,002.84	13,926.00	1,006.98	-	-	6,031.00	-	-	677.00	-	-	558,122.52	11,975.00	-	-	30,421.78
Facilities Acquisition and Construction Services:																		
Construction Services	69,678.00								69,678.00									
Non Instructional Equipment	6,541.96													6,541.96				
Total Facilities Acquisition and Construction Services	76,219.96	-	-	-	-	-	-	-	69,678.00	-	-	-	-	6,541.96	-	-	-	-
Total Expenditures	1,960,072.07	225,944.00	49,228.07	13,926.00	5,156.82	15,000.00	183,370.00	6,031.00	136,334.91	50,000.00	677.00	29,460.00	2,000.00	1,195,027.57	11,975.00	1,819.07	3,700.85	30,421.78
Other Financing Sources (Uses):																		
Transfer from/(to) General Fund	70,225.00													70,225.00				
Total Other Financing Sources (Uses)	70,225.00	-	-	-	-	-	-	-	-	-	-	-	-	70,225.00	-	-	-	-
Total Expenditures and Other Financing Sources (Uses)	1,889,847.07	225,944.00	49,228.07	13,926.00	5,156.82	15,000.00	183,370.00	6,031.00	136,334.91	50,000.00	677.00	29,460.00	2,000.00	1,124,802.57	11,975.00	1,819.07	3,700.85	30,421.78
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	31,220.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,220.95
Fund Balance, June 30	\$ 31,220.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 31,220.95

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 359,253.60	\$ 342,595.00	\$ 16,658.60
Other Salaries for Instruction	235,321.00	229,645.36	5,675.64
Purchased Professional - Educational Services	30,000.00	26,808.90	3,191.10
Supplies and Materials	36,000.00	31,313.83	4,686.17
Total Instruction	<u>660,574.60</u>	<u>630,363.09</u>	<u>30,211.51</u>
Support Services:			
Salaries of Other Professional Staff	34,632.00	34,458.84	173.16
Salaries of Secretarial and Clerical Assistants	41,971.90	41,971.90	
Other Salaries	35,483.99	32,385.08	3,098.91
Salaries of Master Teachers	74,899.11	74,899.11	
Personal Services - Employee Benefits	341,405.00	341,405.00	
Cleaning, Repair and Maintenance Services	16,701.00		16,701.00
Contract Services - Transportation (Between Home and School)	20,000.00	20,000.00	
Contract Services - Transportation (Field Trips)	3,000.00	1,850.00	1,150.00
Travel	792.00	791.70	0.30
Supplies and Materials	11,733.00	10,360.89	1,372.11
Total Support Services	<u>580,618.00</u>	<u>558,122.52</u>	<u>22,495.48</u>
Facilities Acquisition and Construction Services:			
Noninstructional Equipment	<u>39,246.00</u>	<u>6,541.96</u>	<u>32,704.04</u>
Total Expenditures	<u>\$ 1,280,438.60</u>	<u>\$ 1,195,027.57</u>	<u>\$ 85,411.03</u>

Calculation of Budget and Carryover

Total revised 2023-24 Preschool Education Aid Allocation	\$ 1,193,825.00
Add: Actual PEA Carryover (June 30, 2023)	59,037.83
Add: Budgeted Transfer from the General Fund 2023-24	<u>70,225.00</u>
Total Preschool Education Funds Available for 2023-24 Budget	1,323,087.83
Less: 2023-24 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>1,280,438.60</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2024	42,649.23
Add: June 30, 2024 Unexpended Preschool Education Aid	<u>85,411.03</u>
2023-24 Carryover - Preschool Education Aid/Preschool	<u>\$ 128,060.26</u>
2023-24 Preschool Education Aid Carryover Budgeted for Preschool Programs 2024-25	<u>\$ 59,038.00</u>

PROPRIETARY FUNDS

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2024

	Business-Type Activities - Enterprise Funds
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 61,496.39
Accounts Receivable:	
State	758.09
Federal	26,524.19
Other	2,161.00
Inventory	13,129.32
Interfund Accounts Receivable - General Fund	55,235.97
	<hr/>
Total Current Assets	159,304.96
	<hr/>
Noncurrent Assets:	
Capital Assets:	
Equipment	319,137.95
Less Accumulated Depreciation	(238,175.30)
	<hr/>
Total Noncurrent Assets	80,962.65
	<hr/>
Total Assets	240,267.61
	<hr/>
LIABILITIES:	
Current Liabilities:	
Unearned Revenue	2,173.00
	<hr/>
NET POSITION:	
Net Investment in Capital Assets	80,962.65
Unrestricted	157,131.96
	<hr/>
Total Net Position	\$ 238,094.61
	<hr/> <hr/>

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenditures and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales Non-Reimbursable Programs	\$ 24,569.79
OPERATING EXPENSES:	
Salaries	149,714.22
Employee Benefits	51,719.80
Purchased Professional and Technical Services	50,363.52
Cost of Sales - Reimbursable Programs	321,364.75
Cost of Sales - Non-reimbursable Programs	11,232.60
Supplies and Materials	9,726.84
Depreciation	11,535.74
Miscellaneous	7,424.34
Total Operating Expenses	613,081.81
Operating Income (Loss)	(588,512.02)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	5,351.85
Breakfast After the Bell Program	6,798.40
Federal Sources:	
School Breakfast Program	149,397.30
School Lunch Program	274,768.45
Food Distribution Program	48,758.59
P-EBT Administrative Cost Reimbursement	653.00
Supply Chain Assistance Program	16,391.34
Total Nonoperating Revenues (Expenses)	502,118.93
Change in Net Position	(86,393.09)
Net Position - July 1	324,487.70
Net Position - June 30	\$ 238,094.61

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 24,569.79
Payments to Employees	(149,714.22)
Payments for Employee Benefits	(51,719.80)
Payments to Suppliers	(346,997.45)
	<hr/>
Net Cash Provided by (used for) Operating Activities	(523,861.68)
	<hr/>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	12,167.75
Federal Sources	441,965.01
Operating Subsidies and Transfers	129,379.60
	<hr/>
Net Cash Provided by (used for) Non-Capital Financing Activities	583,512.36
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	59,650.68
Cash and Cash Equivalents, July 1	1,845.71
	<hr/>
Cash and Cash Equivalents, June 30	\$ 61,496.39
	<hr/> <hr/>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (588,512.02)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Depreciation	11,535.74
Food Distribution Program	48,758.59
Change in Assets and Liabilities:	
(Increase) / Decrease in Inventory	4,356.01
	<hr/>
Total Adjustments	64,650.34
	<hr/>
Net Cash Provided by (Used for) in Operating Activities	\$ (523,861.68)
	<hr/> <hr/>

LONG-TERM DEBT

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2024

	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2023	Retired	Balance June 30, 2024
			Date	Amount				
Construction of an addition as well as undertake various improvements to the Fairfield Township Elementary School and to acquire the necessary equipment and undertake any necessary site work.	3/1/2010	\$ 2,000,000.00	03/01/25	\$ 110,000.00	4.000%	\$ 860,000.00	\$ 110,000.00	\$ 750,000.00
			3/1/26-27	120,000.00	4.000%			
			3/1/28-29	130,000.00	4.000%			
			03/01/30	140,000.00	4.000%			
Refunding of 3/15/04 School Bond Issue for the Construction of a new Elementary/Middle School, etc.	9/15/2015	3,150,000.00				365,000.00	365,000.00	
						<u>\$ 1,225,000.00</u>	<u>\$ 475,000.00</u>	<u>\$ 750,000.00</u>

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT

Budgetary Comparison Schedule

Debt Service Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 524,000.00	-	\$ 524,000.00	\$ 524,000.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	49,000.00		49,000.00	49,000.00	
Redemption of Principal	475,000.00		475,000.00	475,000.00	
Total Regular Debt Service	524,000.00	-	524,000.00	524,000.00	-
Total Expenditures	524,000.00	-	524,000.00	524,000.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	0.24	-	0.24	0.24	-
Fund Balance, June 30	\$ 0.24	-	\$ 0.24	\$ 0.24	-

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u> (a)	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 9,895,782.81	\$ 9,700,174.35	\$ 8,915,278.00	\$ 8,798,193.00	\$ 8,685,049.00	\$ 8,640,784.00	\$ 8,609,885.00	\$ 8,528,057.00	\$ 8,488,233.00	\$ 8,136,619.00
Restricted	136,557.66	236,557.66	235,145.46	20,011.00	101,305.00	406,703.00	544,242.00	137,050.00	421,509.00	435,960.00
Unrestricted (Deficit)	<u>(2,385,408.39)</u>	<u>(1,277,836.37)</u>	<u>(2,269,512.57)</u>	<u>(2,615,948.00)</u>	<u>(2,904,436.00)</u>	<u>(2,853,261.00)</u>	<u>(2,643,360.00)</u>	<u>(2,089,620.00)</u>	<u>(2,294,934.00)</u>	<u>(2,275,457.00)</u>
Total Governmental Activities Net Assets	<u>\$ 7,646,932.08</u>	<u>\$ 8,658,895.64</u>	<u>\$ 6,880,910.89</u>	<u>\$ 6,202,256.00</u>	<u>\$ 5,881,918.00</u>	<u>\$ 6,194,226.00</u>	<u>\$ 6,510,767.00</u>	<u>\$ 6,575,487.00</u>	<u>\$ 6,614,808.00</u>	<u>\$ 6,297,122.00</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 80,962.65	\$ 92,498.39	\$ 102,456.00	\$ 139,820.00	\$ 158,502.00	\$ 152,545.00	\$ 172,436.00	\$ 75,115.00	\$ 83,132.00	\$ 74,449.00
Unrestricted	<u>157,131.96</u>	<u>231,989.31</u>	<u>231,989.31</u>	<u>132,238.00</u>	<u>29,525.00</u>	<u>33,468.00</u>	<u>97,068.00</u>	<u>322,376.00</u>	<u>248,116.00</u>	<u>180,316.00</u>
Total Business-Type Activities Net Assets	<u>\$ 238,094.61</u>	<u>\$ 324,487.70</u>	<u>\$ 334,445.31</u>	<u>\$ 272,058.00</u>	<u>\$ 188,027.00</u>	<u>\$ 186,013.00</u>	<u>\$ 269,504.00</u>	<u>\$ 397,491.00</u>	<u>\$ 331,248.00</u>	<u>\$ 254,765.00</u>
Government-Wide										
Net Investment in Capital Assets	\$ 9,976,745.46	\$ 9,792,672.74	\$ 9,017,734.00	\$ 8,938,013.00	\$ 8,843,551.00	\$ 8,793,329.00	\$ 8,782,321.00	\$ 8,603,172.00	\$ 8,571,365.00	\$ 8,211,068.00
Restricted	136,557.66	236,557.66	235,145.46	20,011.00	101,305.00	406,703.00	544,242.00	137,050.00	421,509.00	435,960.00
Unrestricted (Deficit)	<u>(2,228,276.43)</u>	<u>(1,045,847.06)</u>	<u>(2,037,523.26)</u>	<u>(2,483,710.00)</u>	<u>(2,874,911.00)</u>	<u>(2,819,793.00)</u>	<u>(2,546,292.00)</u>	<u>(1,767,244.00)</u>	<u>(2,046,818.00)</u>	<u>(2,095,141.00)</u>
Total Government-Wide Net Position	<u>\$ 7,885,026.69</u>	<u>\$ 8,983,383.34</u>	<u>\$ 7,215,356.20</u>	<u>\$ 6,474,314.00</u>	<u>\$ 6,069,945.00</u>	<u>\$ 6,380,239.00</u>	<u>\$ 6,780,271.00</u>	<u>\$ 6,972,978.00</u>	<u>\$ 6,946,056.00</u>	<u>\$ 6,551,887.00</u>

(a) - Beginning for the fiscal year ended June 30, 2021, the School District implemented GASB 84.

Source: District Records

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
				(a)						
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 3,285,456.30	\$ 3,047,459.26	\$ 2,989,896.76	\$ 3,477,570.00	\$ 3,641,163.00	\$ 3,516,225.00	\$ 3,481,838.00	\$ 3,478,821.00	\$ 3,095,716.00	\$ 3,123,441.00
Special Education	618,137.65	519,886.15	519,886.15	323,974.00	481,414.00	596,693.00	779,269.00	776,959.00	668,579.00	630,653.00
Other Special Instruction								8,333.00	18,971.00	19,200.00
Other Instruction	60,328.00	129,894.25	129,894.25	30,282.00	80,408.00	79,871.00	75,651.00	63,111.00	71,955.00	87,796.00
Support Services:										
Tuition	145,443.51	188,275.48	188,275.48	146,107.00	89,662.00	241,925.00	43,253.00	399,745.00	623,880.00	543,974.00
Student & Instruction Related Services	1,062,107.38	1,161,050.63	1,161,050.63	1,045,837.00	1,038,062.00	1,287,039.00	1,345,633.00	906,367.00	1,023,367.00	941,324.00
School Administrative Services	89,809.01	237,736.84	224,547.81	33,700.00	164,855.00	82,206.00	82,984.00	99,028.00	156,795.00	202,296.00
General and Business Administrative Services	334,972.70	490,529.47	501,816.48	298,235.00	302,805.00	282,600.00	309,582.00	246,523.00	274,270.00	295,408.00
Central Services	248,546.59	252,743.28	252,743.28	277,347.00	212,028.00	197,522.00	213,968.00	265,937.00	222,990.00	219,693.00
Plant Operations and Maintenance	1,018,132.84	1,370,514.80	641,224.36	985,981.00	610,622.00	525,270.00	609,103.00	578,376.00	537,585.00	577,560.00
Security							1,577.00	12,780.00	15,700.00	13,418.00
Pupil Transportation	802,354.09	615,399.87	615,399.87	321,103.00	480,845.00	578,646.00	543,984.00	576,813.00	462,568.00	460,219.00
Unallocated Benefits	1,713,900.24	1,817,666.02	2,930,560.02	5,275,203.00	3,632,768.00	4,808,797.00	5,163,724.00	4,408,981.00	3,454,425.00	2,043,158.00
Reimbursed TPAF and Social Security	1,024,423.82	1,001,600.89	883,846.22							
Transfer to Charter Schools	262,999.86	191,548.00	191,548.00							
Interest on Long-term Debt	37,118.00	55,526.41	70,573.26	84,316.00	260,349.00	259,219.00	284,408.00	292,458.00	298,284.00	270,156.00
Unallocated Depreciation	372,117.50	429,687.46	358,209.00	358,209.00	369,592.00	387,349.00	384,835.00	380,691.00	339,643.00	365,553.00
Total Governmental Activities Expenses	<u>11,075,847.49</u>	<u>11,509,518.81</u>	<u>11,659,471.57</u>	<u>12,657,864.00</u>	<u>11,364,573.00</u>	<u>12,843,362.00</u>	<u>13,319,809.00</u>	<u>12,494,923.00</u>	<u>11,264,728.00</u>	<u>9,793,849.00</u>
Business-Type Activities:										
Food Service	613,081.81	640,742.90	630,785.29	241,416.00	467,409.00	608,511.00	665,789.00	493,139.00	446,639.00	425,630.00
Total Business-Type Activities Expense	<u>613,081.81</u>	<u>640,742.90</u>	<u>630,785.29</u>	<u>241,416.00</u>	<u>467,409.00</u>	<u>608,511.00</u>	<u>665,789.00</u>	<u>493,139.00</u>	<u>446,639.00</u>	<u>425,630.00</u>
Total District Expenses	<u>\$ 11,688,929.30</u>	<u>\$ 12,150,261.71</u>	<u>\$ 12,290,256.86</u>	<u>\$ 12,899,280.00</u>	<u>\$ 11,831,982.00</u>	<u>\$ 13,451,873.00</u>	<u>\$ 13,985,598.00</u>	<u>\$ 12,988,062.00</u>	<u>\$ 11,711,367.00</u>	<u>10,219,479.00</u>
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 30,421.78	\$ 19,592.25	\$ 19,592.25	\$ 43,921.00						
Operating Grants and Contributions	1,954,394.43	1,765,316.50	2,671,086.50	3,417,860.00	\$ 3,410,593.00	\$ 4,271,315.00	\$ 4,654,805.00	\$ 4,888,909.00	\$ 4,124,951.00	\$ 2,526,651.00
Capital Grants and Contributions	76,219.96	729,290.44								
Total Governmental Activities Program Revenues	<u>2,061,036.17</u>	<u>2,514,199.19</u>	<u>2,690,678.75</u>	<u>3,461,781.00</u>	<u>3,410,593.00</u>	<u>4,271,315.00</u>	<u>4,654,805.00</u>	<u>4,888,909.00</u>	<u>4,124,951.00</u>	<u>2,526,651.00</u>
Business-Type Activities:										
Charges for services										
Food Service	24,569.79	46,782.27	46,782.27		22,049.00	32,956.00	36,624.00	44,772.00	64,863.00	101,869.00
Operating Grants and Contributions	502,118.93	504,478.32	504,478.32	325,447.00	376,236.00	491,902.00	501,178.00	514,610.00	458,259.00	414,209.00
Total Business-Type Activities Program Revenues	<u>526,688.72</u>	<u>551,260.59</u>	<u>551,260.59</u>	<u>325,447.00</u>	<u>398,285.00</u>	<u>524,858.00</u>	<u>537,802.00</u>	<u>559,382.00</u>	<u>523,122.00</u>	<u>516,078.00</u>
Total Government-Wide Program Revenues	<u>\$ 2,587,724.89</u>	<u>\$ 3,065,459.78</u>	<u>\$ 3,241,939.34</u>	<u>\$ 3,787,228.00</u>	<u>\$ 3,808,878.00</u>	<u>\$ 4,796,173.00</u>	<u>\$ 5,192,607.00</u>	<u>\$ 5,448,291.00</u>	<u>\$ 4,648,073.00</u>	<u>\$ 3,042,729.00</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (9,014,811.32)	\$ (8,995,319.62)	\$ (8,968,792.82)	\$ (9,196,083.00)	\$ (7,953,980.00)	\$ (8,572,047.00)	\$ (8,665,004.00)	\$ (7,606,014.00)	\$ (7,139,777.00)	\$ (7,267,198.00)
Business-type Activities	(86,393.09)	(89,482.31)	(79,524.70)	84,031.00	(69,124.00)	(83,653.00)	(127,987.00)	66,243.00	76,483.00	90,448.00
Total Government-Wide Net Expense	<u>\$ (9,101,204.41)</u>	<u>\$ (9,084,801.93)</u>	<u>\$ (9,048,317.52)</u>	<u>\$ (9,112,052.00)</u>	<u>\$ (8,023,104.00)</u>	<u>\$ (8,655,700.00)</u>	<u>\$ (8,792,991.00)</u>	<u>\$ (7,539,771.00)</u>	<u>\$ (7,063,294.00)</u>	<u>\$ (7,176,750.00)</u>

(Continued)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u> (a)	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 1,211,939.00	\$ 1,188,175.00	\$ 1,188,175.00	\$ 1,142,036.00	\$ 1,071,230.00	\$ 994,658.00	\$ 941,822.00	\$ 874,176.00	\$ 784,176.00	\$ 754,016.00
Taxes Levied for Debt Service	524,000.00	527,125.00	527,125.00	469,142.00	522,025.00	519,525.00	521,700.00	423,250.00	475,379.00	475,379.00
Unrestricted Grants and Contributions	6,065,168.15	9,214,341.09	9,214,341.09	8,025,513.00	6,330,681.00	6,796,195.00	7,175,550.00	6,096,926.00	6,009,367.00	6,095,707.00
Adjustment to Fixed Assets					(33,303.00)		71,685.00			
Prior Year Adjustments					(123,433.00)					
Miscellaneous Income	1,661.10	43,742.79	43,742.79	85,044.00	90,770.00	62,839.00	82,680.00	172,341.00	188,541.00	76,287.00
Transfers				(218,577.00)	(216,298.00)	(117,711.00)	(193,153.00)			(35,706.00)
Total Governmental Activities	<u>7,802,768.25</u>	<u>10,973,383.88</u>	<u>10,973,383.88</u>	<u>9,503,158.00</u>	<u>7,641,672.00</u>	<u>8,255,506.00</u>	<u>8,600,284.00</u>	<u>7,566,693.00</u>	<u>7,457,463.00</u>	<u>7,365,683.00</u>
Business-Type Activities:										
Investment Earnings					204.00					
Prior Year Adjustments					70,934.00					
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,138.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Government-Wide	<u>\$ 7,802,768.25</u>	<u>\$ 10,973,383.88</u>	<u>\$ 10,973,383.88</u>	<u>\$ 9,503,158.00</u>	<u>\$ 7,712,810.00</u>	<u>\$ 8,255,506.00</u>	<u>\$ 8,600,284.00</u>	<u>\$ 7,566,693.00</u>	<u>\$ 7,457,463.00</u>	<u>\$ 7,365,683.00</u>
Change in Net Position										
Governmental Activities	\$ (1,212,043.07)	\$ 1,978,064.26	\$ 2,004,591.06	\$ 307,075.00	\$ (312,308.00)	\$ (316,541.00)	\$ (64,720.00)	\$ (39,321.00)	\$ 317,686.00	\$ 98,485.00
Business-Type Activities	<u>(86,393.09)</u>	<u>(89,482.31)</u>	<u>(79,524.70)</u>	<u>84,031.00</u>	<u>2,014.00</u>	<u>(83,653.00)</u>	<u>(127,987.00)</u>	<u>66,243.00</u>	<u>76,483.00</u>	<u>90,448.00</u>
Total Government-Wide	<u>\$ (1,298,436.16)</u>	<u>\$ 1,888,581.95</u>	<u>\$ 1,925,066.36</u>	<u>\$ 391,106.00</u>	<u>\$ (310,294.00)</u>	<u>\$ (400,194.00)</u>	<u>\$ (192,707.00)</u>	<u>\$ 26,922.00</u>	<u>\$ 394,169.00</u>	<u>\$ 188,933.00</u>

(a) - Beginning for the fiscal year ended June 30, 2021, the School District implemented GASB 84.

Source: District Records

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u> (a)	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund										
Restricted	\$ 105,336.47	\$ 205,336.47	\$ 205,336.47	\$ 205,336.47			\$ 40,750.00	\$ 303,732.00	\$ 178,087.00	\$ 344,638.00
Assigned	7,688.00	176,884.49	26,326.60	26,326.60	\$ 12,214.00	\$ 54,127.00	281,239.00	152,940.00	364,768.00	39,386.00
Unassigned (Deficit)	<u>(461,002.69)</u>	<u>624,802.57</u>	<u>(92,469.81)</u>	<u>(92,469.81)</u>	<u>(313,062.00)</u>	<u>(575,387.00)</u>	<u>(528,706.00)</u>	<u>(302,604.00)</u>	<u>(299,801.00)</u>	<u>(265,254.00)</u>
Total General Fund	<u>\$ (347,978.22)</u>	<u>\$ 1,007,023.53</u>	<u>\$ 139,193.26</u>	<u>\$ 139,193.26</u>	<u>\$ (300,848.00)</u>	<u>\$ (521,260.00)</u>	<u>\$ (206,717.00)</u>	<u>\$ 154,068.00</u>	<u>\$ 243,054.00</u>	<u>\$ 118,770.00</u>
All Other Governmental Funds										
Restricted:										
Special Revenue Fund	\$ 31,220.95	\$ 31,220.95	\$ 29,808.75	\$ 29,808.75	\$ 14,674.00					
Capital Projects					581.00					
Debt Service	0.24	0.24	0.24	0.24		\$ 33,460.00	\$ 86,296.00	\$ 86,296.00	\$ 86,296.00	\$ 86,296.00
Assigned:										
Debt Service						16,473.00	16,473.00	16,473.00	16,473.00	106,473.00
Unassigned (Deficit), Reported in:										
Special Revenue Fund	<u>(119,382.50)</u>	<u>(88,895.60)</u>	<u>(97,642.80)</u>	<u>(97,642.80)</u>	<u>(101,144.00)</u>	<u>(128,398.00)</u>	<u>(147,215.00)</u>	<u>(145,025.00)</u>	<u>(143,806.00)</u>	<u>(146,244.00)</u>
Total All Other Governmental Funds	<u>\$ (88,161.31)</u>	<u>\$ (57,674.41)</u>	<u>\$ (67,833.81)</u>	<u>\$ (67,833.81)</u>	<u>\$ (85,889.00)</u>	<u>\$ (37,198.00)</u>	<u>\$ (44,446.00)</u>	<u>\$ (42,256.00)</u>	<u>\$ (41,037.00)</u>	<u>\$ 46,525.00</u>

(a) - Beginning for the fiscal year ended June 30, 2021, the School District implemented GASB 84.

Source: District Records

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	<u>Fiscal Year Ended June 30,</u>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u> (a)	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues										
Tax Levy	\$ 1,735,939.00	\$ 1,715,300.00	\$ 1,685,666.00	\$ 1,611,178.00	\$ 1,593,255.00	\$ 1,514,183.00	\$ 1,463,522.00	\$ 1,297,426.00	\$ 1,259,555.00	\$ 1,229,395.00
Tuition Charges				20,559.00	17,281.00	58,172.00	27,938.00			
Miscellaneous	32,082.88	63,335.04	25,752.59	108,406.00	73,489.00	4,667.00	54,742.00	172,341.00	187,886.00	76,287.00
State Sources	8,439,223.08	9,389,909.17	8,983,560.23	8,757,586.00	8,823,360.00	8,766,112.00	8,603,822.00	8,525,655.00	8,512,291.00	8,183,291.00
Federal Sources	742,828.50	2,417,494.42	2,537,353.08	1,044,518.00	912,284.00	1,042,161.00	1,124,228.00	775,780.00	582,447.00	623,755.00
Total Revenue	10,950,073.46	13,586,038.63	13,232,331.90	11,542,247.00	11,419,669.00	11,385,295.00	11,274,252.00	10,771,202.00	10,542,179.00	10,112,728.00
Expenditures										
Instruction										
Regular Instruction	3,336,956.29	2,987,076.76	3,676,046.60	3,477,570.00	3,641,163.00	3,516,225.00	3,481,838.00	3,478,821.00	3,095,716.00	3,123,441.00
Special Education Instruction	618,137.65	519,886.15	431,935.16	323,974.00	481,414.00	596,693.00	779,269.00	776,959.00	668,579.00	630,653.00
Other Special Instruction								8,333.00	18,971.00	19,200.00
Other Instruction	60,328.00	129,894.25	232,899.61	30,282.00	80,408.00	79,871.00	75,651.00	63,111.00	71,955.00	87,796.00
Support Services:										
Tuition	145,443.51	188,275.48	148,267.08	146,107.00	89,662.00	241,925.00	43,253.00	399,745.00	623,880.00	543,974.00
Student & Instruction Related Services	1,074,343.67	1,161,050.63	1,453,737.50	1,045,837.00	1,038,062.00	1,287,039.00	1,345,633.00	906,367.00	1,023,367.00	941,324.00
School Administrative Services	76,056.59	222,522.81	139,993.19	33,700.00	164,855.00	82,206.00	82,984.00	99,028.00	156,795.00	202,296.00
General Business and Administrative Svs	334,972.70	470,269.19	459,523.22	298,235.00	302,805.00	282,600.00	309,582.00	246,523.00	274,270.00	295,408.00
Central Services	248,546.59	252,743.28	151,133.68	277,347.00	212,028.00	197,522.00	213,968.00	265,937.00	222,990.00	219,693.00
Plant Operations and Maintenance	941,912.88	641,224.36	615,539.21	828,295.00	610,622.00	525,270.00	609,103.00	578,376.00	537,585.00	577,560.00
Security							1,577.00	12,780.00	15,700.00	13,418.00
Pupil Transportation	802,354.09	615,399.87	582,127.43	321,103.00	480,845.00	578,646.00	543,984.00	576,813.00	462,568.00	460,219.00
Other Support Services	4,022,530.83	3,852,036.86	4,184,809.38	3,665,315.00	3,579,175.00	3,552,780.00	3,005,076.00	2,605,214.00	2,376,839.00	2,245,887.00
Transfer to Charter Schools	262,999.86	191,548.00	147,770.80	218,577.00	216,298.00	117,711.00	193,153.00			
Capital Outlay	87,058.96	748,916.81	29,627.00	198,372.00	184,169.00	170,257.00	157,686.00	203,223.00	483,484.00	290,858.00
Debt Service:										
Principal	475,000.00	460,000.00	440,000.00	425,000.00	415,000.00	400,000.00	390,000.00	370,000.00	360,000.00	385,000.00
Interest	49,000.00	67,125.00	80,825.00	94,075.00	107,025.00	119,525.00	131,700.00	143,250.00	151,406.00	120,235.00
Total Expenditures	12,535,641.62	12,507,969.45	12,774,234.86	11,383,789.00	11,603,531.00	11,748,270.00	11,364,457.00	10,734,480.00	10,544,105.00	10,192,668.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,585,568.16)	1,078,069.18	458,097.04	158,458.00	(183,862.00)	(362,975.00)	(90,205.00)	36,722.00	(1,926.00)	(79,940.00)
Other Financing Sources (Uses)										
Prior Year Adjustments				13,263.00	(123,433.00)					
Total Other Financing Sources (Uses)	-	-	-	13,263.00	(123,433.00)	-	-	-	-	-
Net Change in Fund Balances	\$ (1,585,568.16)	\$ 1,078,069.18	\$ 458,097.04	\$ 171,721.00	\$ (307,295.00)	\$ (362,975.00)	\$ (90,205.00)	\$ 36,722.00	\$ (1,926.00)	\$ (79,940.00)
Debt Service as a Percentage of Noncapital Expenditures	4.21%	4.48%	4.09%	4.64%	4.57%	4.49%	4.66%	4.87%	5.08%	5.10%

(a) - Beginning for the fiscal year ended June 30, 2021, the School District implemented GASB 84.

Source: District Records

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ended June 30,</u>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Interest on Investments	\$ 976.61	\$ 802.92	\$ 3,252.73	\$ 807.00	\$ 2,447.00	\$ 1,419.00	\$ 987.00	\$ 2,176.00	\$ 1,583.00	\$ 5,111.00
Tuition		4,636.00	3,708.80	20,559.00	17,281.00	58,172.00	27,938.00	97,482.00	42,588.00	
Refund of Prior Year Expenditures		3,891.41	170.14	401.00		2,161.00	468.00	198.00	(4,117.00)	14,264.00
Prior Year P.O. Adjustments	345.86	23,155.50					30,246.00		32,441.00	
Atlantic Electric Energy Rebate						(1,630.00)	19,281.00	40,901.00	52,444.00	37,124.00
Miscellaneous	338.63	11,256.96	1,793.88	63,277.00	71,042.00	2,296.00	3,513.00	31,256.00	62,470.00	18,252.00
	<u>\$ 1,661.10</u>	<u>\$ 43,742.79</u>	<u>\$ 8,925.55</u>	<u>\$ 85,044.00</u>	<u>\$ 90,770.00</u>	<u>\$ 62,418.00</u>	<u>\$ 82,433.00</u>	<u>\$ 172,013.00</u>	<u>\$ 187,409.00</u>	<u>\$ 74,751.00</u>

Source: District Records.

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg./Qual.</u>	<u>Ofarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Public Utilities (1)</u>	<u>Net Valuation Taxable</u>	<u>Tax-Exempt Property</u>	<u>Estimated Actual (County Equalized) Value</u>	<u>Total Direct School Tax Rate (2)</u>
2024	\$ 15,735,300.00	\$ 254,060,700.00	\$ 16,409,800.00	\$ 2,799,700.00	\$ 26,957,100.00	\$ 1,630,200.00	\$ 257,900.00	\$ 317,850,700.00	\$ 691,507.00	\$ 318,542,207.00	\$ 138,103,900.00	\$ 341,677,596.00	\$ 0.482
2023	15,823,200.00	253,514,500.00	16,411,400.00	2,703,800.00	26,939,200.00	1,630,200.00	257,900.00	317,080,200.00	734,499.00	317,814,699.00	137,529,300.00	320,839,999.00	0.547
2022	15,828,800.00	259,555,300.00	9,830,900.00	2,571,300.00	27,143,900.00	1,630,200.00	257,900.00	316,818,300.00	721,618.00	317,539,918.00	137,652,500.00	306,282,193.00	0.541
2021	15,628,800.00	254,107,900.00	10,146,600.00	2,739,500.00	27,350,400.00	1,630,200.00	257,900.00	311,861,300.00	720,421.00	312,581,721.00	Unavailable	301,490,043.00	0.540
2020	16,180,800.00	254,421,700.00	9,806,800.00	2,682,600.00	26,548,200.00	1,630,200.00	257,900.00	311,528,200.00	715,886.00	312,244,086.00	Unavailable	283,852,574.00	0.516
2019	15,853,700.00	251,861,200.00	10,861,700.00	2,732,600.00	26,136,500.00	1,630,200.00	300,000.00	309,375,900.00	703,242.00	310,079,142.00	Unavailable	270,551,727.00	0.514
2018	16,388,000.00	251,762,000.00	11,729,200.00	2,612,200.00	26,632,800.00	1,630,200.00	300,000.00	311,054,400.00	705,607.00	311,760,007.00	Unavailable	274,831,596.00	0.486
2017	16,830,200.00	252,057,800.00	11,396,500.00	2,538,000.00	29,632,900.00	1,630,200.00	344,200.00	314,429,800.00	695,519.00	315,125,319.00	Unavailable	293,201,977.00	0.460
2016	18,269,100.00	250,625,000.00	12,490,800.00	2,924,600.00	25,601,100.00	1,630,200.00	344,200.00	311,885,000.00	713,142.00	312,598,142.00	Unavailable	287,213,371.00	0.416
2015	19,017,700.00	250,704,700.00	12,843,500.00	2,887,500.00	26,053,500.00	1,630,200.00	344,200.00	313,481,300.00	743,541.00	314,224,841.00	Unavailable	292,697,443.00	0.401

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

(3) Reassessment

Source: Municipal Tax Assessor

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Years

(rate per \$100 of assessed value)

Unaudited

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	<u>Basic Rate (1)</u>	<u>General Obligation Debt Service (2)</u>	<u>Total Direct School Tax Rate</u>	<u>Cumberland Regional High School</u>	<u>Fairfield Township</u>	<u>County of Cumberland</u>	
2024	\$ 0.337	\$ 0.145	\$ 0.482	\$ 0.599	\$ 0.450	\$ 1.021	\$ 2.552
2023	0.379	0.168	0.547	0.619	0.440	1.046	2.652
2022	0.374	0.167	0.541	0.635	0.439	1.135	2.750
2021	0.383	0.157	0.540	0.584	0.439	1.111	2.674
2020	0.316	0.200	0.516	0.515	0.439	1.135	2.605
2019	0.315	0.199	0.514	0.488	0.440	1.051	2.493
2018	0.298	0.188	0.486	0.537	0.430	1.037	2.490
2017	0.282	0.178	0.460	0.532	0.429	1.083	2.504
2016	0.255	0.161	0.416	0.500	0.430	1.029	2.375
2015	0.246	0.155	0.401	0.474	0.407	1.030	2.312

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

(2) Rates for debt service are based on each year's requirements.

(3) Reassessment

Source: Municipal Tax Collector

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	2024			2015		
	Taxable Assessed <u>Value</u>	<u>Rank</u>	% of Total District Net <u>Assessed Value</u>	Taxable Assessed <u>Value</u>	<u>Rank</u>	% of Total District Net <u>Assessed Value</u>
	Information was unavailable			Information was unavailable		
Total	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year	<u>Collected within the Fiscal Year of the Levy (1)</u>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2024	\$ 1,735,939.00	\$ 1,735,939.00	100.00%	
2023	1,715,300.00	1,715,300.00	100.00%	
2022	1,685,666.00	1,685,666.00	100.00%	
2021	1,611,178.00	1,611,178.00	100.00%	
2020	1,593,255.00	1,593,255.00	100.00%	
2019	1,514,183.00	1,441,335.00	95.19%	\$ 72,848.00
2018	1,463,522.00	1,390,674.00	95.02%	72,848.00
2017	1,297,426.00	1,297,426.00	100.00%	
2016	1,259,555.00	1,259,555.00	100.00%	
2015	1,229,395.00	1,108,559.00	90.17%	120,836.00

(1) School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Source: District Records

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	<u>Governmental Activities (1)</u>		<u>Business-Type Activities</u>		<u>Total District</u>	Percentage of Personal Income (2)	<u>Per Capita (3)</u>
	<u>General Obligation Bonds</u>	<u>Financed Purchases</u>	<u>Financed Purchases</u>				
2024	\$ 750,000.00	-	-	\$ 750,000.00	(4)	(4)	
2023	1,225,000.00	-	-	1,225,000.00	(4)	(4)	
2022	1,685,000.00	-	-	1,685,000.00	0.68%	\$	316.61
2021	2,125,000.00	-	-	2,125,000.00	0.83%		392.57
2020	2,550,000.00	-	-	2,550,000.00	0.97%		441.33
2019	2,965,000.00	-	-	2,965,000.00	1.21%		502.03
2018	3,365,000.00	-	-	3,365,000.00	1.44%		568.03
2017	3,755,000.00	-	-	3,755,000.00	1.61%		617.50
2016	4,125,000.00	-	-	4,125,000.00	1.80%		667.48
2015	4,485,000.00	-	-	4,485,000.00	1.95%		709.65

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

Sources:

(1) District Records

(2) Personal income has been estimated based upon the municipal population and per capita

(3) Per Capita personal income by county-estimated based upon the 2020 Census published

(4) Unavailable

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of Property (1)</u>	<u>Per Capita (2)</u>
2024	\$ 750,000.00		\$ 750,000.00	0.24%	(3)
2023	1,225,000.00		1,225,000.00	0.39%	\$ 229.40
2022	1,685,000.00		1,685,000.00	0.53%	316.61
2021	2,125,000.00		2,125,000.00	0.68%	392.57
2020	2,550,000.00		2,550,000.00	0.82%	441.33
2019	2,965,000.00		2,965,000.00	0.96%	502.03
2018	3,365,000.00		3,365,000.00	1.08%	568.03
2017	3,755,000.00		3,755,000.00	1.19%	617.50
2016	4,125,000.00		4,125,000.00	1.32%	667.48
2015	4,485,000.00		4,485,000.00	1.43%	709.65

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

- (1) See Exhibit No. J-6 for property tax data.
- (2) Population data can be found in Exhibit No. J-14.
- (3) Information not available.

Source: District Records.

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023
Unaudited

Township of Fairfield:					
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Fairfield Township</u>	
Municipal Debt: (1)					
Fairfield Township School District	\$ 1,696,171.00	\$ 1,696,171.00			
Fairfield Township	1,857,389.20	(3)	\$ 1,857,389.20	\$ 1,857,389.20	
	<u>3,553,560.20</u>	<u>1,696,171.00</u>	<u>1,857,389.20</u>	<u>1,857,389.20</u>	
Overlapping Debt Apportioned to the Municipality:					
County of Cumberland: (2)					
General:					
Bonds	54,220,000.00	25,630,073.00 (3)	28,589,927.00	866,198.96 (5)	
Loans	71,455,000.00	41,443,900.00	30,011,100.00	909,256.73 (5)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	105,111,801.00	105,111,801.00 (4)			
Cumberland County Improvement Authority	22,898,727.00		22,898,727.00	693,770.69 (5)	
Cumberland County Utilities Authority	2,693,805.00		2,693,805.00	81,615.15 (5)	
	<u>256,379,333.00</u>	<u>172,185,774.00</u>	<u>84,193,559.00</u>	<u>2,550,841.53</u>	
	<u>\$ 259,932,893.20</u>	<u>\$ 173,881,945.00</u>	<u>\$ 86,050,948.20</u>	<u>\$ 4,408,230.73</u>	

Sources:

- (1) 2023 Annual Debt Statement / 2023 Audit Report
- (2) Source: County of Cumberland
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Township's share of the total 2023 Equalized Value, which is 3.03%.
The source for this computation was the 2022 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

Legal Debt Margin Calculation for Calendar Year 2023

Equalized valuation basis	
2023	\$ 339,377,288.00
2022	319,115,935.00
2021	<u>301,490,043.00</u>
[A]	\$ 959,983,266.00

Average equalized valuation of taxable property	[A/3]	\$ 319,994,422.00
Debt limit (3% of average equalization value)	[B]	\$ 9,599,832.66
Total Net Debt Applicable to Limit	[C]	<u>750,000.00</u>
Legal Debt Margin	[B-C]	\$ 8,849,832.66

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt limit	\$ 9,599,832.66	\$ 9,001,037.35	\$ 8,628,792.81	\$ 8,334,088.00	\$ 8,317,250.00	\$ 8,406,625.00	\$ 8,573,263.00	\$ 8,718,874.00	\$ 8,891,833.00	\$ 9,154,457.00
Total net debt applicable to limit	750,000.00	1,225,000.00	1,685,000.00	2,125,000.00	2,550,000.00	2,965,000.00	3,365,000.00	3,755,000.00	4,125,000.00	4,485,000.00
Legal debt margin	\$ 8,849,832.66	\$ 7,776,037.35	\$ 6,943,792.81	\$ 6,209,088.00	\$ 5,767,250.00	\$ 5,441,625.00	\$ 5,208,263.00	\$ 4,963,874.00	\$ 4,766,833.00	\$ 18,939,642.68
Total net debt applicable to the limit as a percentage of debt limit	7.81%	13.61%	19.53%	25.50%	30.66%	35.27%	39.25%	43.07%	46.39%	48.99%

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Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2024	(5)	(5)	(5)	(5)
2023	5,340	(5)	(5)	7.6%
2022	5,322	\$ 249,021,702.00	\$ 46,791.00	6.1%
2021	5,413	257,436,867.00	47,559.00	9.7%
2020	5,778	262,887,444.00	45,498.00	11.6%
2019	5,906	244,077,262.00	41,327.00	12.2%
2018	5,924	233,689,952.00	39,448.00	7.4%
2017	6,081	233,224,593.00	38,353.00	7.9%
2016	6,180	229,278,000.00	37,100.00	8.9%
2015	6,320	229,555,040.00	36,322.00	9.2%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development (July 1) (Updated)
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by municipality-estimated based upon the 2020 Census published by the US Bureau of Economic Analysis (Updated)
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development
- (5) Information unavailable

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
Unaudited

	2024 (1)			2015 (1)		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Employer (1)						
	Information was Unavailable			Information was Unavailable		
	-		0.00%	-		0.00%

(1) The data was not available.

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

	<u>Fiscal Year Ended June 30,</u>									
<u>Function/Program</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Instruction:										
Regular	50.0	55.0	54.0	54.0	60.0	45.0	54.0	45.0	56.0	54.0
Special education	17.0	13.0	12.0	12.0	12.5	10.0	18.0	28.0	15.0	21.0
Other Instruction							1.0	1.0	1.0	
Support Services:										
Student & instruction related services	10.0	10.0	10.0	10.0	5.0	22.0	12.0	9.0	5.0	6.0
General and business administrative services	2.0	2.0	2.0	2.0	2.5	5.0	2.5	2.0	2.0	3.0
School administrative services	1.0	1.0	1.0	1.0	1.5	3.0	3.0	3.0	4.0	4.0
Business administrative services	2.0	2.0	2.0	2.0	2.5	1.6	2.6	2.6	2.8	2.8
Plant operations and maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Security	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Pupil transportation	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.2	0.2	0.2
Food Service		0.5	0.5	0.5	0.5		1.0	0.2		
Total	84.5	86.0	84.0	84.0	87.0	89.0	96.5	93.0	89.0	94.0

Source: District Personnel Records

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year</u> <u>Ended</u> <u>June 30.</u>	<u>Resident</u> <u>Enrollment</u>	<u>Operating</u> <u>Expenditures (1)</u>	<u>Cost Per</u> <u>Pupil</u>	<u>Percentage</u> <u>Change</u>	<u>Teaching</u> <u>Staff (3)</u>	<u>Pupil/Teacher Ratio</u> <u>Elementary & Middle School</u>	<u>Average Daily</u> <u>Enrollment</u> <u>(ADE) (4)</u>	<u>Average Daily</u> <u>Attendance</u> <u>(ADA) (4)</u>	<u>% Change in</u> <u>Average Daily</u> <u>Enrollment</u>	<u>Student</u> <u>Attendance</u> <u>Percentage</u>
2024	528	\$ 11,924,582.66	\$22,584.44	3.75%	48.0	11:1	527.0	490.3	2.13%	93.04%
2023	516	11,231,927.64	21,767.30	-9.89%	55.0	9.1:1	516.0	465.0	1.98%	90.12%
2022	506	12,223,782.86	24,157.67	11.20%	54.0	9.1:1	506.0	486.0	3.05%	96.05%
2021	491	10,666,342.00	21,723.71	10.04%	54.0	9.1:1	491.0	444.0	-8.74%	90.43%
2020	552	10,897,337.00	19,741.55	-1.10%	60.0	9.2:1	538.0	521.8	-2.09%	96.99%
2019	554	11,058,488.00	19,961.17	7.60%	54.0	10.1:1	549.5	511.3	-2.01%	93.05%
2018	576	10,685,071.00	18,550.47	16.10%	54.0	10.1:1	560.8	531.7	-7.72%	94.81%
2017	627	10,018,007.00	15,977.68	10.77%	57.0	11.1:1	607.7	560.6	-8.17%	92.25%
2016	662	9,549,215.00	14,424.80	-3.90%	56.0	8.1:1	661.8	628.9	5.06%	95.03%
2015	626	9,396,575.00	15,010.50	-2.14%	63.0	9.1:1	629.9	597.9	5.33%	94.92%

Sources: District records and ASSA

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures from Exh. J-4 less debt service and capital outlay.
- (2) Operating expenditures equal total expenditures less debt service and capital outlay
- (3) Teaching staff includes only full-time equivalents of certificated staff.
- (4) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	<u>Fiscal Year Ended June 30,</u>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>District Building</u>										
<u>Elementary & Middle School</u>										
Square Feet	100,594	100,594	100,594	100,594	100,594	100,594	100,594	100,594	100,594	100,594
Capacity (students)	622	622	622	622	622	622	622	622	622	622
Enrollment	528	516	506	491	552	576	576	627	662	626

Number of Schools at June 30, 2024

 Elementary = 0

 Middle School = 0

 Combined = 1

 Other = 0

Source: District Facilities Office

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

		<u>Fiscal Year Ended June 30,</u>									
<u>* School Facilities</u>	<u>Project # (s)</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Fairfield Township School - Combined	N/A	\$ 169,329.34	\$ 134,396.94	\$ 181,020.21	\$ 294,119.00	\$ 134,620.00	\$ 60,468.00	\$ 100,790.00	\$ 62,497.00	\$ 572,952.00	\$ 58,092.00
Total School Facilities		<u>169,329.34</u>	<u>134,396.94</u>	<u>181,020.21</u>	<u>294,119.00</u>	<u>134,620.00</u>	<u>60,468.00</u>	<u>100,790.00</u>	<u>62,497.00</u>	<u>572,952.00</u>	<u>58,092.00</u>
Other Facilities	N/A	-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 169,329.34</u>	<u>\$ 134,396.94</u>	<u>\$ 181,020.21</u>	<u>\$ 294,119.00</u>	<u>\$ 134,620.00</u>	<u>\$ 60,468.00</u>	<u>\$ 100,790.00</u>	<u>\$ 62,497.00</u>	<u>\$ 572,952.00</u>	<u>\$ 58,092.00</u>

* School Facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT

Insurance Schedule

June 30, 2024

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Gloucester Cumberland Salem School Districts (GCSSD JIF):		
Property	\$ 250,000	\$ 500
Crime	250,000	500
General Liability / Auto Liability	250,000	
Educators Legal Liability	250,000	
Workers Compensation	250,000	
Property	175,000,000	
Crime	500,000	500
Workers Compensation	Statutory	
- Employers Liability	10,000,000	
Commercial General Liability	20,000,000	
Commercial Automobile Liability	20,000,000	
Boiler and Machinery	125,000,000	1,000
Environmental / Pollution Legal Liability	3,000,000	25,000 - 250,000
Cyber Liability	2,000,000	50,000 - 100,000
Crisis Protection & Disaster Management Services	1,000,000	10,000

Source: District Records & Insurance Broker

SINGLE AUDIT SECTION

Exhibit K-1**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****INDEPENDENT AUDITOR'S REPORT**

The Honorable President and
Members of the Board of Education
Fairfield Township School District
Fairfield Township, New Jersey 08302

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Fairfield Township School District, in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 18, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fairfield Township School District's internal control over financial reporting (internal control) as a basis for designing 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fairfield Township School District'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 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 or significant deficiencies may exist that were not identified.

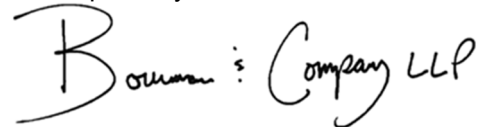
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fairfield Township School District's financial statements are free from 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 financial statements. 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*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

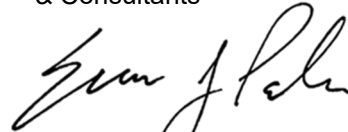
Purpose of this Report

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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Evan J. Palmer
Certified Public Accountant
Public School Accountant No. CS02548

Woodbury, New Jersey
March 18, 2025

Exhibit K-2**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF NEW JERSEY CIRCULAR 15-08-OMB****INDEPENDENT AUDITOR'S REPORT**

The Honorable President and
Members of the Board of Education
Fairfield Township School District
Fairfield Township, New Jersey 08302

Report on Compliance for Each Major Federal and State Program***Opinion on Each Major Federal and State Program***

We have audited the Fairfield Township School District's, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2024. The School District'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 Fairfield Township School District, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School District 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 the School District'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 the School District'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 the School District'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 auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Office of School Finance, Department of Education, State of New Jersey; Uniform Guidance; and State of New Jersey Circular 15-08-OMB, 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 judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 the School District'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 the School District'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 State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an other instance of noncompliance which is required to be reported in accordance with State of New Jersey Circular 15-08-OMB and which is described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as item *Finding No. 2024-001*. Our opinion on each major state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Fairfield Township School District's response to the noncompliance findings identified in our audit described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

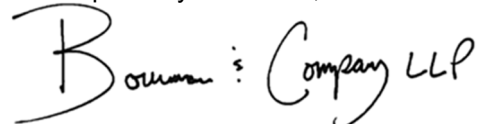
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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. We consider the deficiency in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* as item Finding No. 2024-001 to be a material weakness.

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.

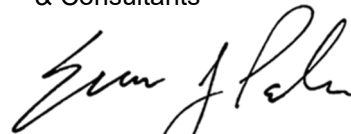
Government Auditing Standards requires the auditor to perform limited procedures on the Fairfield Township School District's response to the internal control over compliance findings identified in our audit described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Evan J. Palmer
Certified Public Accountant
Public School Accountant No. CS02548

Woodbury, New Jersey
March 18, 2025

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TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2024

<u>Federal Grantor/ Pass-through Grantor /Program or Cluster Total</u>	<u>Federal Assistance Listing Number</u>	<u>Additional Award Identification</u>	<u>Federal FAIN Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Program or Award Amount</u>	<u>Grant Period From To</u>	<u>Balance June 30, 2023</u>	<u>Carryover/ Walkover Amount</u>
U.S. Department of Agriculture Passed-through State Department of Education: Child Nutrition Cluster: Non-Cash Assistance (Food Distribution): National School Lunch Program - Commodities (Noncash)	10.555		241NJ304N1099	N/A	\$ 48,758.59	7/1/23 6/30/24		
Non-Cash Assistance Subtotal							-	-
Cash Assistance: School Breakfast Program	10.553		231NJ304N1099	100-010-3350-028	152,208.16	7/1/22 6/30/23	\$ (9,761.72)	
School Breakfast Program	10.553		241NJ304N1099	100-010-3350-028	149,397.30	7/1/23 6/30/24		
Total School Breakfast Program - Seamless Summer Option							(9,761.72)	-
National School Lunch Program	10.555		231NJ304N1099	100-010-3350-026	301,498.96	7/1/22 6/30/23	(17,517.29)	
National School Lunch Program	10.555		241NJ304N1099	100-010-3350-026	274,768.45	7/1/23 6/30/24		
Supply Chain Assistance Award	10.555	COVID-19	231NJ304N1099	100-010-3350-026	16,391.34	7/1/23 6/30/24		
Total National School Lunch Program							(17,517.29)	-
Total Child Nutrition Cluster							(27,279.01)	-
P-EBT Administrative Cost	10.649		232121S900941	Not Available	653.00	7/1/23 6/30/24	-	-
Total Enterprise Fund							(27,279.01)	-
U.S. Department of Health and Human Services Passed-through State Department of Education: General Fund: Medical Assistance Program (SEMI)	93.778		2405NJ5MAP	N/A	8,630.70	7/1/23 6/30/24		
Total Medicaid Cluster							-	-
U.S. Department of Education Passed-through State Department of Education: E.S.S.A.:								
Grants to Local Educational Agencies (Title I)	84.010		S010A220030	ESSA034023	257,347.00	7/1/22 9/30/23	(1,718.76)	
Grants to Local Educational Agencies (Title I - SIA)	84.010		S010A220030	ESSA034023	52,657.00	7/1/22 9/30/23	(5,259.94)	
Grants to Local Educational Agencies (Title I)	84.010		S010A220030	ESSA034024	225,944.00	7/1/23 9/30/24		
Grants to Local Educational Agencies (Title I - SIA)	84.010		S010A220030	ESSA034024	74,139.00	7/1/23 9/30/24		
Total Grants to Local Educational Agencies (Title I)							(6,978.70)	-
Supporting Effective Instruction (Title II)	84.367		S367A220029	ESSA034023	24,154.00	7/1/22 9/30/23	(1,602.08)	
Supporting Effective Instruction (Title II)	84.367		S367A220029	ESSA034024	21,215.00	7/1/23 9/30/24		
Total Supporting Effective Instruction (Title II)							(1,602.08)	-
Title III, Part A	84.365		S365A220030	ESSA034024	11,216.00	7/1/23 9/30/24	-	-
Student Support and Academic Enrichment (Title IV)	84.424		S424A220031	ESSA034023	22,615.00	7/1/23 9/30/24		
Total Student Support and Academic Enrichment (Title IV)							-	-
Total Every Student Succeeds Act (ESSA)							(8,580.78)	-
Individuals with Disabilities - States Grant (I.D.E.A.) Cluster: Special Education Grants to States (I.D.E.A. Basic)	84.027		H027A230030	FT034020	175,936.00	7/1/22 9/30/23	(17,929.50)	
Special Education Grants to States (I.D.E.A. Basic)	84.027		H027A240030	FT034020	183,370.00	7/1/23 9/30/24		
Total Special Education Grants to States (I.D.E.A. Basic)							(17,929.50)	-
Special Education Preschool Grants (I.D.E.A. Preschool)	84.173		H173A230030	PS034020	6,071.00	7/1/22 9/30/23	(6,071.00)	
Special Education Preschool Grants (I.D.E.A. Preschool)	84.173		H173A240030	PS034020	6,031.00	7/1/23 9/30/24		
ARP Special Education Grants to States (IDEA Preschool)	84.173	COVID-19; 84.173X	H173X220030	PS034020	5,511.00	7/1/21 9/30/22	486.00	
Total Special Education Grants to States (I.D.E.A. Preschool)							(5,585.00)	-
Total Individuals with Disabilities - States Grant (I.D.E.A.) Cluster							(23,514.50)	-
Education Stabilization Fund (ESF): Elementary and Secondary School Emergency Relief Fund (CARES Emergency Relief Grant) Coronavirus Response and Relief Supplemental Appropriations	84.425	COVID-19, 84.425D	S425D200027	Not Available	268,861.00	3/13/20 9/30/22	(22,288.34)	
(ESSR II)	84.425	COVID-19, 84.425O	S425D210027	Not Available	1,156,677.00	3/13/20 9/30/23	(234,371.23)	
(ESSR III - American Rescue Plan)	84.425	COVID-19, 84.425U	S425U220027	Not Available	2,522,754.00	3/13/20 9/30/24	(274,709.53)	
Total Education Stabilization Fund							(531,369.10)	-
NJ High Impact Tutoring Competitive	21.027	COVID-19	C2221SLFRF21	Not Available	47,926.00	9/11/23 8/31/24		
Total NJ High Impact Tutoring Competitive Grant							-	-
School Improvement Grants	84.377		S377A200031	Not Available	354,249.00	7/1/20 8/31/21	(2,867.22)	-
Total School Improvement Grants							(2,867.22)	-
Total U.S. Department of Education							(566,331.60)	-
Total Special Revenue Fund							(566,331.60)	-
Total Federal Financial Assistance							\$ (593,610.61)	-

The accompanying Notes to the Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Budgetary Expenditures							Balance at June 30, 2024		
Cash Received	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Accounts Receivable	Unearned Revenue	Due to Grantor
\$ 48,758.59	\$ (48,758.59)		\$ (48,758.59)						
48,758.59	(48,758.59)	-	(48,758.59)	-	-	-	-	-	-
9,761.72									
140,117.46	(149,397.30)		(149,397.30)				\$ (9,279.84)		
149,879.18	(149,397.30)	-	(149,397.30)	-	-	-	(9,279.84)	-	-
17,517.29									
257,524.20	(274,768.45)		(274,768.45)				(17,244.25)		
16,391.34	(16,391.34)		(16,391.34)						
291,432.83	(291,159.79)	-	(291,159.79)	-	-	-	(17,244.25)	-	-
490,070.60	(489,315.68)	-	(489,315.68)	-	-	-	(26,524.09)	-	-
653.00	(653.00)	-	(653.00)	-	-	-	-	-	-
490,723.60	(489,968.68)	-	(489,968.68)	-	-	-	(26,524.09)	-	-
8,630.70	(8,630.70)		(8,630.70)						
8,630.70	(8,630.70)	-	(8,630.70)	-	-	-	-	-	-
1,719.00					\$ (0.24)				
5,260.00					(0.06)				
204,403.00	(225,944.00)		(225,944.00)				(21,541.00)		
	(49,228.07)		(49,228.07)				(49,228.07)		
211,382.00	(275,172.07)	-	(275,172.07)	-	(0.30)	-	(70,769.07)	-	-
1,563.00					39.08				
11,056.00	(13,926.00)		(13,926.00)				(2,870.00)		
12,619.00	(13,926.00)	-	(13,926.00)	-	39.08	-	(2,870.00)	-	-
5,311.00	(5,156.82)		(5,156.82)		(154.18)	-	-		-
13,152.00	(15,000.00)		(15,000.00)				(1,848.00)		
13,152.00	(15,000.00)	-	(15,000.00)	-	-	-	(1,848.00)	-	-
242,464.00	(309,254.89)	-	(309,254.89)	-	(115.40)	-	(75,487.07)	-	-
22,042.00									\$ 4,112.50
159,504.00	(183,370.00)		(183,370.00)				(23,866.00)		
181,546.00	(183,370.00)	-	(183,370.00)	-	-	-	(23,866.00)	-	4,112.50
6,071.00									
6,031.00	(6,031.00)		(6,031.00)						486.00
12,102.00	(6,031.00)	-	(6,031.00)	-	-	-	-	-	486.00
193,648.00	(189,401.00)	-	(189,401.00)	-	-	-	(23,866.00)	-	4,598.50
					22,288.34				
36,902.00					197,469.23				
520,974.00	(187,011.91)		(187,011.91)		(72,723.56)		(13,471.00)		
557,876.00	(187,011.91)	-	(187,011.91)	-	147,034.01	-	(13,471.00)	-	-
	(29,460.00)		(29,460.00)				(29,460.00)		
-	(29,460.00)	-	(29,460.00)	-	-	-	(29,460.00)	-	-
							(2,867.22)		
-	-	-	-	-	-	-	(2,867.22)	-	-
993,988.00	(715,127.80)	-	(715,127.80)	-	146,918.61	-	(145,151.29)	-	4,598.50
993,988.00	(715,127.80)	-	(715,127.80)	-	146,918.61	-	(145,151.29)	-	4,598.50
\$ 1,493,342.30	\$ (1,213,727.18)	-	\$ (1,213,727.18)	-	\$ 146,918.61	-	\$ (171,675.38)	-	\$ 4,598.50

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2024

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Local Share	Grant Period		Balance at June 30, 2023		
				From	To	Unearned Revenue / Accounts Receivable	Due to Grantor	Carryover/ Walkover Amount
General Fund:								
New Jersey Department of Education:								
State Aid - Public								
Equalization Aid	495-034-5120-078	\$ 4,579,726.00		7/1/2022	6/30/2023	\$ (434,229.17)		
Equalization Aid	495-034-5120-078	4,579,726.00		7/1/2023	6/30/2024			
Special Education Categorical Aid	495-034-5120-089	357,285.00		7/1/2022	6/30/2023	(33,876.17)		
Special Education Categorical Aid	495-034-5120-089	357,285.00		7/1/2023	6/30/2024			
Security Aid	495-034-5120-084	168,555.00		7/1/2022	6/30/2023	(15,981.63)		
Security Aid	495-034-5120-084	168,555.00		7/1/2023	6/30/2024			
Maintenance of Equity Aid	495-034-5120-128	996,750.00		7/1/2022	6/30/2023	(996,750.00)		
Total State Aid - Public						(1,480,836.97)	-	-
Extraordinary Special Education Aid								
Extraordinary Special Education Aid	495-034-5120-044	39,941.00		7/1/2022	6/30/2023	(39,941.00)		
Extraordinary Special Education Aid	495-034-5120-044	60,767.00		7/1/2023	6/30/2024			
Total Extraordinary Special Education Aid						(39,941.00)	-	-
Transportation Aid:								
Categorical Transportation Aid	495-034-5120-014	163,986.00		7/1/2022	6/30/2023	(15,548.43)		
Categorical Transportation Aid	495-034-5120-014	163,986.00		7/1/2023	6/30/2024			
Other State Aid - Nonpublic School Transportation Aid	495-034-5120-014	3,744.00		7/1/2022	6/30/2023	(3,744.00)		
Total Transportation Aid						(19,292.43)	-	-
Reimbursed T.P.A.F. Social Security Contributions								
Reimbursed T.P.A.F. Social Security Contributions	495-034-5095-003	216,022.84		7/1/2022	6/30/2023	(364.06)		
Reimbursed T.P.A.F. Social Security Contributions	495-034-5095-003	258,334.59		7/1/2023	6/30/2024			
Total Reimbursed T.P.A.F. Social Security Contributions						(364.06)	-	-
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical								
On-Behalf T.P.A.F. Pension Contributions - Normal Cost	495-034-5094-001	370,261.00		7/1/2023	6/30/2024			
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-002	1,345,095.00		7/1/2023	6/30/2024			
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance	495-034-5094-004	614.00		7/1/2023	6/30/2024			
Total On-Behalf TPAF Pension Contributions (non-budgeted)						-	-	-
Total General Fund						(1,540,434.46)	-	-
Special Revenue Fund:								
New Jersey School Development Authority:								
Emergent and Capital Maintenance Needs Grant	Various	11,975.00		7/1/2023	6/30/2024	-	-	-
New Jersey Department of Education:								
Preschool Education Aid	495-034-5120-086	976,425.00		7/1/2022	6/30/2023	(29,857.77)		\$ (59,037.83)
Preschool Education Aid	495-034-5120-086	1,193,825.00	\$ 70,225.00	7/1/2023	6/30/2024			59,037.83
Total Preschool Education Aid						(29,857.77)	-	-
Climate Awareness Education Grant	100-034-5063-359	6,600.00		4/1/2023	6/30/2023	(3,285.00)	-	-
Technology Initiative Aid	100-034-5120-373	1,848.00		7/1/2022	6/30/2023		\$ 1,848.00	
Technology Initiative Aid	100-034-5120-373	2,695.00		7/1/2023	6/30/2024			
Total Technology Initiative Aid						-	1,848.00	-
Nonpublic School Security Aid	100-5034-5120-509	12,915.00		7/1/2022	6/30/2023		12,915.00	
Nonpublic School Security Aid	100-5034-5120-509	13,735.00		7/1/2023	6/30/2024			
Total Nonpublic School Security Aid						-	12,915.00	-
Total Special Revenue Fund						(33,142.77)	14,763.00	-
Enterprise Fund:								
New Jersey Department of Agriculture:								
State School Lunch Program	100-010-3350-023	5,052.61		7/1/2022	6/30/2023	(327.49)		
State School Lunch Program	100-010-3350-023	5,351.85		7/1/2023	6/30/2024			
Total State School Lunch Program						(327.49)	-	-
State School Breakfast Program - Before the Bell	100-010-3350-002	6,571.60		7/1/2022	6/30/2023	(448.10)		
State School Breakfast Program - Before the Bell	100-010-3350-002	6,798.40		7/1/2023	6/30/2024			
Total State School Breakfast Program - Before the Bell						(448.10)	-	-
Total Enterprise Fund						(775.59)	-	-
Total State Financial Assistance						\$ (1,574,352.82)	\$ 14,763.00	-
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:								
General Fund (Non-Cash Assistance):								
New Jersey Department of Education:								
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	495-034-5094-001	370,261.00		7/1/2023	6/30/2024			
On-Behalf T.P.A.F. Pension Contributions - Normal Cost	495-034-5094-002	1,345,095.00		7/1/2023	6/30/2024			
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004	15,340.00		7/1/2023	6/30/2024			
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance	495-034-5094-004	614.00		7/1/2023	6/30/2024			
Total General Fund (Non-Cash Assistance)								

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Balance at June 30, 2024								Memo	
Cash Received	Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2024	Cumulative Total Expenditures
\$ 434,229.17									\$ 4,579,726.00
4,150,232.43	\$ (4,579,726.00)				\$ (429,493.57)			\$ (429,493.57)	4,579,726.00
33,876.17									357,285.00
323,778.27	(357,285.00)				(33,506.73)			(33,506.73)	357,285.00
15,981.63									168,555.00
152,747.66	(168,555.00)				(15,807.34)			(15,807.34)	168,555.00
996,750.00									996,750.00
6,107,595.33	(5,105,566.00)	-	-	-	(478,807.64)	-	-	(478,807.64)	11,207,882.00
39,941.00	(60,767.00)				(60,767.00)				39,941.00
39,941.00	(60,767.00)	-	-	-	(60,767.00)	-	-	-	60,767.00
39,941.00	(60,767.00)	-	-	-	(60,767.00)	-	-	-	100,708.00
15,548.43									163,986.00
148,607.14	(163,986.00)				(15,378.86)			(15,378.86)	163,986.00
3,744.00									3,744.00
167,899.57	(163,986.00)	-	-	-	(15,378.86)	-	-	(15,378.86)	331,716.00
364.06									216,022.84
245,643.60	(258,334.59)				(12,690.99)				258,334.59
246,007.66	(258,334.59)	-	-	-	(12,690.99)	-	-	-	474,357.43
370,261.00	(370,261.00)								370,261.00
1,345,095.00	(1,345,095.00)								1,345,095.00
15,340.00	(15,340.00)								15,340.00
614.00	(614.00)								614.00
1,731,310.00	(1,731,310.00)	-	-	-	-	-	-	-	1,731,310.00
8,292,753.56	(7,319,963.59)	-	-	-	(567,644.49)	-	-	(494,186.50)	13,845,973.43
11,975.00	(11,975.00)	-	-	-	-	-	-	-	11,975.00
88,895.60									905,344.60
1,074,442.50	(1,124,802.57)				(119,382.50)	\$ 128,060.26		(119,382.50)	1,124,802.57
1,163,338.10	(1,124,802.57)	-	-	-	(119,382.50)	128,060.26	-	(119,382.50)	2,030,147.17
5,285.00	(2,000.00)	-	-	-	-	-	-	-	5,285.00
2,695.00	(1,819.07)			\$ (1,848.00)			\$ 875.93		1,819.07
2,695.00	(1,819.07)	-	-	(1,848.00)	-	-	875.93	-	1,819.07
				(12,915.00)					
13,735.00	(3,700.85)						10,034.15		3,700.85
13,735.00	(3,700.85)	-	-	(12,915.00)	-	-	10,034.15	-	3,700.85
1,197,028.10	(1,144,297.49)	-	-	(14,763.00)	(119,382.50)	128,060.26	10,910.08	(119,382.50)	2,052,927.09
327.49									5,052.61
5,015.96	(5,351.85)				(335.89)				5,351.85
5,343.45	(5,351.85)	-	-	-	(335.89)	-	-	-	10,404.46
448.10									5,052.61
6,376.20	(6,798.40)				(422.20)				6,798.40
6,824.30	(6,798.40)	-	-	-	(422.20)	-	-	-	11,851.01
12,167.75	(12,150.25)	-	-	-	(758.09)	-	-	-	22,255.47
\$ 9,501,949.41	\$ (8,476,411.33)	-	-	\$ (14,763.00)	\$ (687,785.08)	\$ 128,060.26	\$ 10,910.08	\$ (613,569.00)	\$ 15,921,155.99

\$ 370,261.00
 1,345,095.00
 15,340.00
 614.00
 1,731,310.00
\$ (6,745,101.33)

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance ("the schedules") include federal and state award activity of the Township of Fairfield School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The expenditures reflected in the schedules are presented at the federal and state participation level; thus, any matching portion is not included.

Note 3: INDIRECT COST RATE

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund, special revenue fund and proprietary fund (enterprise fund - food service) 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the State deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the 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 one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

**Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance (Cont'd)**

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$5,448.90) for the general fund and \$11,416.90 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

The revenues reported on a GAAP basis from the basic financial statements with a reconciliation to the reported amounts on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 8,630.70	\$ 7,325,412.49	\$ 7,334,043.19
Special Revenue	734,197.80	1,113,810.59	1,848,008.39
Food Service	489,968.68	12,150.25	502,118.93
GAAP Basis Revenues	1,232,797.18	8,451,373.33	9,684,170.51
GAAP Adjustments:			
State Aid Payments	-	25,038.00	25,038.00
Encumbrances	(19,070.00)	-	(19,070.00)
	(19,070.00)	25,038.00	5,968.00
Total Awards and Financial Assistance Expended	\$ 1,213,727.18	\$ 8,476,411.33	\$ 9,690,138.51

Note 5: 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: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represents favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2023-2024.

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2024, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. 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 fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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>
84.010	S010A220030	Title I Grants to Local Education Agencies (LEAs)
		Special Education Cluster (I.D.E.A.):
84.027	H027A230030	Special Education Grants to States (I.D.E.A. Basic)
84.173	H173A240030	Special Education Preschool Grants (I.D.E.A. Preschool)
21.027	C2221SLFRF21	NJ High Impact Tutoring Competitive

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

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

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2024

Section 1- Summary of Auditor's Results (Cont'd)**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified?

☒ yes ☐ no

Significant deficiency(ies) identified?

☐ yes ☒ none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in
accordance with New Jersey Circular 15-08-OMB?☒ yes ☐ no

Identification of major programs:

State Grant / Project #**Name of State Program**

State Aid Public:

495-034-5120-078

Equalization Aid

495-034-5120-089

Special Education Categorical Aid

495-034-5120-084

Security Aid

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000.00

Auditee qualified as low-risk auditee?

☐ yes ☒ no

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

None.

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, 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).

None.

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2024

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

Finding No. 2024-001

Information on the State Program

New Jersey Department of Education, State Aid Public, 7/1/2023 – 6/30/2024

Equalization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084

Criteria or Specific Requirement

School Districts must complete the Application for State School Aid (A.S.S.A) in accordance with instructions provided by the Office of School Finance, Department of Education. School Districts must complete a set of workpapers that document the compilation of data and retain supporting documentation that provides an audit trail for testing the information reported on the A.S.S.A. report.

Condition

The School District's workpapers and corresponding documentation did not agree with the submitted A.S.S.A. report and, as a result, differences were identified.

Questioned Costs

Undetermined.

Context

The information reported on the A.S.S.A. report as "On-Roll" was misreported by twelve (12) when compared to supporting workpapers. Our test of "On-Roll" students disclosed four (4) students who were not included on the A.S.S.A. report and an additional four (4) students whose enrollment status could not be substantiated. The information reported on the A.S.S.A. report as low income for "Resident Low Income" and "Resident LEP Low Income" was misreported by twelve (12) and eight (8), respectively when compared to supporting workpapers. In addition, our test of low-income students disclosed thirty (30) students whose low-income status could not be substantiated. Furthermore, the information reported on the A.S.S.A. report as "Resident LEP Not Low Income" was misreported by six (6) when compared to the supporting workpapers.

Effect or Potential Effect

The number of differences identified may have an impact on the School District's State Aid allocation.

Cause

Unknown.

Identification as a Repeat Finding

The condition existed in the immediately preceding fiscal year – See Finding No. 2023-004.

Recommendation

That the School District's workpapers and corresponding documentation agree with the submitted A.S.S.A. report.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2023-001

Condition

The School District did not have a fully functioning financial reporting system to allow for use in financial analysis and financial reporting for the fiscal year ended June 30, 2023.

Current Status

This condition has been resolved.

Finding No. 2023-002

Condition

The School District's Food Service Fund Net Cash Resources exceeded its three-months average expenditures by \$30,872.99

Current Status

This condition has been resolved.

TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
 Summary Schedule of Prior Year Audit Findings
 and Questioned Costs as Prepared by Management

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS**Finding No. 2023-003**

New Jersey Department of Education, State Aid Public, 7/1/2022 – 6/30/2023

Equalization Aid	G.M.I.S. No. 495-034-5120-078
Stabilization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Maintenance of Equity Aid	G.M.I.S. No. 495-034-5120-128
Adjustment Aid	G.M.I.S. No. 495-034-5120-085

Condition

The School District incurred an overexpenditure of \$24,574.70 in the general fund.

Current Status

This condition has been resolved.

Finding No. 2023-004

New Jersey Department of Education, State Aid Public, 7/1/2022 – 6/30/2023

Equalization Aid	G.M.I.S. No. 495-034-5120-078
Stabilization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Maintenance of Equity Aid	G.M.I.S. No. 495-034-5120-128
Adjustment Aid	G.M.I.S. No. 495-034-5120-085

Condition

The School District's workpapers and corresponding documentation did not agree with the submitted A.S.S.A. report and, as a result, differences were identified.

Current Status

This finding still exists. See Finding 2024-001.

Planned Corrective Action

The responsible officials will address the matter as part of their corrective action plan.