

SCHOOL DISTRICT  
OF  
FAIRFIELD TOWNSHIP

Fairfield Township School District  
Board of Education  
Fairfield Township, New Jersey

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2024

# Annual Comprehensive Financial Report

of the

Fairfield Township School District  
Board of Education

Fairfield Township, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

Fairfield Township School District  
Board of Education

FAIRFIELD BOARD OF EDUCATION  
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INTRODUCTORY SECTION  
(UNAUDITED)

***FAIRFIELD TOWNSHIP SCHOOL DISTRICT***

*Office of the Board of Education*

*277 Fairfield Road – Suite 208, Fairfield, New Jersey 07004*

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*www.fpsk6.org*

*Fax: 973-227-4303*

October 4, 2024

The Honorable President and Members of  
the Board of Education  
Fairfield Board of Education  
County of Essex, New Jersey

Dear Honorable President and Board Members:

The Annual Comprehensive Financial Report of the Fairfield Board of Education (the “District”) for the fiscal year ended June 30, 2024 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Fairfield Board of Education (the “Board”). 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 basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of 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 Independent Auditor's Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Fairfield Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”) in codification section 2100. All funds of the District are included in this report. The Fairfield Board of Education's elementary school constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 6. These include regular, as well as special education, for handicapped youngsters. The District completed the 2023-2024 fiscal year with an enrollment of 720 students, which is 14 students more than the prior year's enrollment.

2. ECONOMIC CONDITION AND OUTLOOK: Fairfield is a township in far northwestern Essex County, New Jersey, United States. In the next five years, enrollments (PK-6) are projected to increase in the Fairfield Public Schools. The projected enrollment gain is due to the proposed new housing developments, as well as inward migration of students. The inward migration may be related to the recent increase in the number of home sales, which typically results in an increase in the number of families with children moving into the community, particularly in the lower elementary grades as parents desire to have their children educated in a highly-rated and excellent school district.
3. MAJOR INITIATIVES: The Fairfield Public Schools are committed to providing an environment which cultivates individual abilities, respects differences, and nurtures responsibility and cooperation. The Fairfield staff continue to improve the atmosphere and communication with students, parents, and the community.

The district continues to analyze and improve areas in culture and climate. The Fairfield District has updated all curriculum to meet the (NJSLs) mandated by the State Department of Education. All curriculum is designed to provide students at all grade levels with a challenge in their learning process. The current standards balance technology and creativity as well as fostering critical thinking. In these times, since the pandemic, students have experienced low self-esteem and social separations causing anxieties they never had before. Fairfield has programs in place to develop self-esteem and a respect for others. Moreover, our Guidance Counselors continue to teach Positive Discipline lessons each school year, as well as social Emotional Learning Lessons. The Fairfield School District offers courses for general education, gifted and talented, and special education to help those students who find it more difficult to learn. All students have access to computer programs such as Link-it, Learning A-Z and many others the students can enjoy at home as well as in school.

Curriculum is available to all parents through the district website. In addition, students in grades K through 5 use the HMH Math Expressions program, while grade six uses Big Ideas. In Social Studies, K-2 uses the HMH “Kids Discover”. The series, “My World Interactive Social Studies” is being used in grades 3-6. In Language Arts, Schoolwide Writing and Reading Fundamentals are used in K-6. In grades 3-6, novels are also introduced. In addition, the Foundations Program is used in grades K-2. In Science, the grade 6 students continue to use FOSS Kits, while students in K-5 use Building Blocks Carolina Science. Ongoing Professional Development and support materials are critical components of all academic areas. All curriculum, as stated previously, have been updated to meet NJSLs mandates and are available to everyone through the district website. Fairfield articulates regularly with the West Essex Regional consortium districts (Fairfield, Roseland, North Caldwell, Essex Fells and West Essex Regional). Doing so ensures that students are exposed to a rigorous educational program that addresses all skills needed for the upper grades.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system 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 and state financial assistance, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. 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 cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and assignments 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. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. 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.
8. RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found on Exhibit J-20.
9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

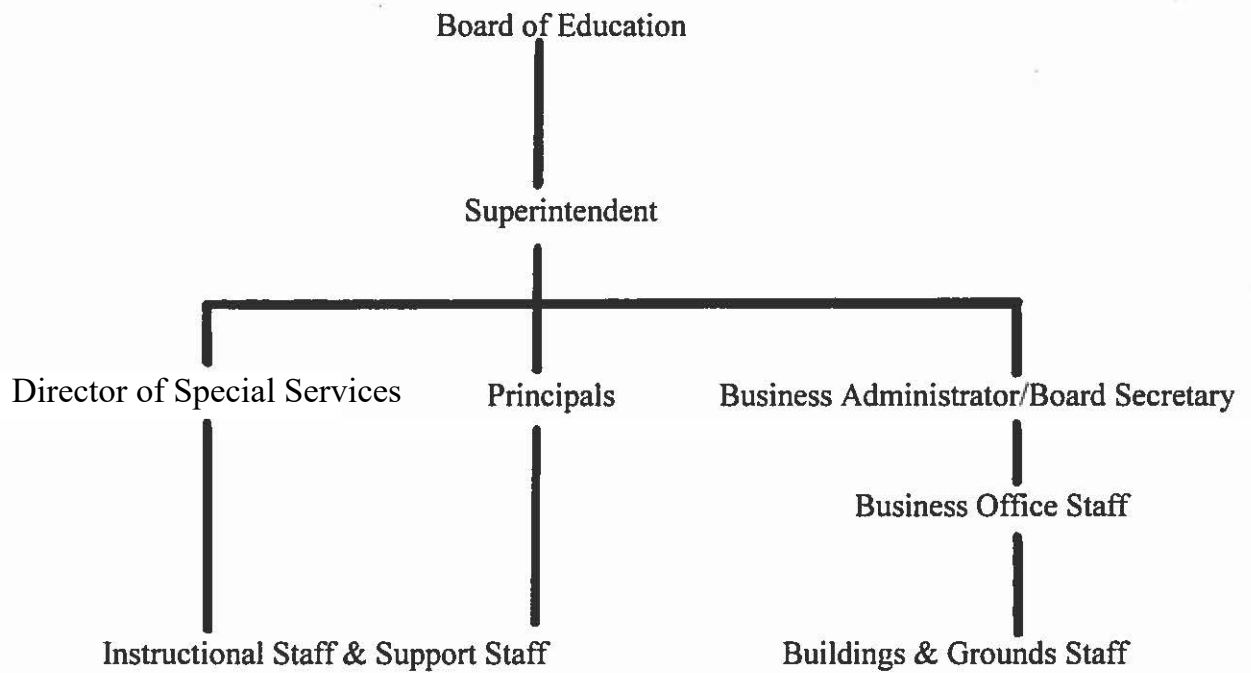
The Honorable President and Members of  
the Board of Education  
Fairfield Board of Education  
Page 4  
October 4, 2024

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Fairfield Township School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the 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.

Ryan Gupta  
Mr. Ryan Gupta  
Superintendent of Schools

Wally Lindsley  
Mr. Wally Lindsley  
School Business Administrator/Board Secretary

Fairfield Board of Education  
Organizational Chart  
(Unit Control)



FAIRFIELD BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
JUNE 30, 2024

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mr. Anthony DePascale, President	2027
Ms. Angela Altaai, Vice President	2026
Ms. Andrea Bellise-Jandoli	2025
Ms. Melinda Street	2027

<u>Other Officials</u>	<u>Title</u>
Ms. Susan Ciccotelli	Superintendent of Schools (To 6/30/2024)
Mr. Ryan Gupta	Superintendent of Schools (From 7/1/2024)
Ms. Kathleen Marano	Interim Business Administrator/Board Secretary (To 8/30/2024)
Mr. Wally Lindsley	Business Administrator/Board Secretary (From 9/3/2024)
Mr. Michael Halik	Treasurer of School Monies



FAIRFIELD BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS  
YEAR ENDED JUNE 30, 2024

**Audit Firm**

Nisivoccia LLP  
200 Valley Road Suite 300  
Mount Arlington, New Jersey 07856

**Attorney**

Machado Law Group, LLC  
1 Cleveland Place  
Springfield NJ, 07081

**Official Depository**

Columbia Bank  
271 Passaic Avenue  
Fairfield, New Jersey 07004

FINANCIAL SECTION

## Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Fairfield Board of Education  
County of Essex, New Jersey

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Fairfield Township School District (the “District”), in the County of Essex, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2024, and the respective changes in financial position, 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 (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, 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 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 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, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 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, are 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 District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are 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 accompanying supplementary information schedules and the schedules of expenditures of federal and state awards 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 October 4, 2024, on our consideration of the 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 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 District's internal control over financial reporting and compliance.

October 4, 2024  
Mount Arlington, New Jersey

*Nisiroccia LLP*  
NISIVOCCIA LLP

*John J. Mooney*  
\_\_\_\_\_  
John J. Mooney  
Licensed Public School Accountant #2602  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**FAIRFIELD BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

This section of Fairfield Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

**Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1  
Organization of Fairfield Township School District's Financial Report**

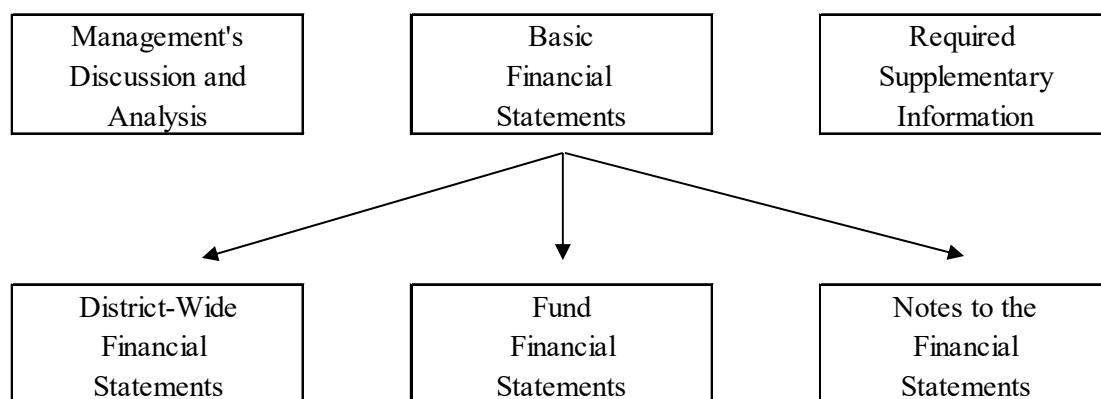


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

**FAIRFIELD BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

**Figure A-2**

**Major Features of the District-Wide and Fund Financial Statements**

		Fund Financial Statements
	District-Wide Statements	Governmental Funds
Scope	Entire district	The activities of the district that are not proprietary, such as special education and building maintenance
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenue, Expenditures, and Changes in Fund Balances</li> </ul>
Accounting basis and measurement focus	Accrual Accounting and Economic Resources focus	Modified Accrual Accounting and Current Financial Focus
Type of Asset/Liability Information	All Assets and Liabilities, both Financial and Capital, Short-Term and Long-Term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities included
Type of Inflow/Outflow Information	All Revenue and Expenses during the year, regardless of when Cash is received or paid	Revenue for which cash is received during or soon after year-end, expenditures when goods or services have been received and the related liabilities are due and payable



**FAIRFIELD BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

**District-Wide Statements**

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows, and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities fell into one category:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term liabilities) or to show that it is properly using certain revenue (such as federal grants).

The District has one kind of fund:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

**FAIRFIELD BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

**Financial Analysis of the District as a Whole**

*Net Position.* The District's net position, shown in Figure A-3, increased \$3,157,951 or 59.60%. Net investment in capital assets increased \$525,591, restricted net position increased \$2,858,809 and unrestricted net position decreased \$226,449.

**Figure A-3**

**Condensed Statement of Net Position**

	Governmental Activities		Total School District		Total Percentage Change
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024
Current and Other Assets	\$ 7,266,419	\$ 4,909,715	\$ 7,266,419	\$ 4,909,715	
Capital Assets, Net	4,226,758	3,895,058	4,226,758	3,895,058	
Total Assets	11,493,177	8,804,773	11,493,177	8,804,773	30.53%
Deferred Outflows of Resources	355,693	581,388	355,693	581,388	-38.82%
Other Liabilities	502,129	546,624	502,129	546,624	
Long-Term Liabilities	2,463,907	3,092,119	2,463,907	3,092,119	
Total Liabilities	2,966,036	3,638,743	2,966,036	3,638,743	-18.49%
Deferred Inflows of Resources	426,142	448,677	426,142	448,677	-5.02%
Net Position:					
Net Investment in Capital					
Assets	4,226,758	3,701,167	4,226,758	3,701,167	
Restricted	6,397,406	3,538,597	6,397,406	3,538,597	
Unrestricted / (Deficit)	(2,167,472)	(1,941,023)	(2,167,472)	(1,941,023)	
Total Net Position	\$ 8,456,692	\$ 5,298,741	\$ 8,456,692	\$ 5,298,741	59.60%

**FAIRFIELD BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

*Changes in net position.* The District's net position was \$8,456,692 on June 30, 2024, \$3,157,951 or 59.60% more than it was the year before. (See Figure A-3). The decrease in the net pension liability, the reduction of District long-term liabilities associated with capital assets, and capital assets additions and the unspent budget appropriations were the primary reasons for the increase in the year end governmental activities net position.

**Figure A-4  
Changes in Net Position from Operating Results**

	Governmental Activities		Total School District		Total Percentage Change
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024
Revenue:					
Program Revenue:					
Charges for Services	\$ 154,459	\$ 258,880	\$ 154,459	\$ 258,880	
Operating Grants and Contributions	2,713,113	3,175,125	2,713,113	3,175,125	
General Revenue:					
Property Taxes	14,058,541	12,375,846	14,058,541	12,375,846	
Other	530,209	145,557	530,209	145,557	
Total Revenue	17,456,322	15,955,408	17,456,322	15,955,408	9.41%
Expenses:					
Instruction	7,811,627	8,413,594	7,811,627	8,413,594	
Pupil & Instruction Services	2,757,850	2,561,229	2,757,850	2,561,229	
Administrative and Business	1,761,062	1,745,807	1,761,062	1,745,807	
Maintenance & Operations	1,141,105	1,870,470	1,141,105	1,870,470	
Transportation	814,872	696,657	814,872	696,657	
Other	11,855	11,855	11,855	11,855	
Total Expenses	14,298,371	15,299,612	14,298,371	15,299,612	-6.54%
Change in Net Position	\$ 3,157,951	\$ 655,796	\$ 3,157,951	\$ 655,796	381.54%

**Governmental Activities**

As discussed elsewhere in this commentary, the financial position of the District improved significantly. However, maintaining current levels of regular and special programs and services for special needs pupils place great demands on the District's resources. Careful management of expenses is essential for the District's financial stability.

Financial resources are at their tightest level in a decade, while demands for new educational activities and programs continue. It has never been more challenging to balance the needs of the District with the financial resources available to the District. Thus, it is critical that the District remains steadfast to thoroughly examine its budget choices carefully.

**FAIRFIELD BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

**Figure A-5  
Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2023/2024	2022/2023	2023/2024	2022/2023
Instruction	\$ 7,811,627	\$ 8,413,594	\$ 5,350,540	\$ 5,448,879
Pupil & Instruction Services	2,757,850	2,561,229	2,675,101	2,382,949
Administrative and Business	1,761,062	1,745,807	1,631,470	1,619,205
Maintenance & Operations	1,141,105	1,870,470	1,108,325	1,858,127
Transportation	814,872	696,657	653,508	544,592
Other	11,855	11,855	11,855	11,855
Total	<u>\$ 14,298,371</u>	<u>\$ 15,299,612</u>	<u>\$ 11,430,799</u>	<u>\$ 11,865,607</u>

**Financial Analysis of the District's Funds**

The District's financial position is sound despite the significant reduction in State aid which has had a direct impact upon the District's revenues and has directly increased pressure on the local tax burden. The District had the luxury in past years of using excess fund balance to reduce the taxes for the ensuing school year. Accordingly, the Fairfield Township School District has taken measures to reduce expenses and not be dependent on excess fund balance going forward which has been a challenge during 2023/2024 and will continue to be a larger challenge going forward.

To maintain a stable financial position, the District must continue to practice sound fiscal management.

**General Fund Budgetary Highlights**

Over the course of the year, the District revised its annual operating budget several times due changes made within budgetary line items for changes in school-based needs for programs, supplies and maintenance activities.

**FAIRFIELD BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

**Capital Assets**

**Figure A-6**

**Capital Assets (Net of Depreciation)**

	Governmental Activities		Total School District		Total Percentage Change
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024
Land	\$ 1,029,555	\$ 1,029,555	\$ 1,029,555	\$ 1,029,555	0.00%
Construction in Progress		30,826		30,826	-100.00%
Site Improvements	1,069	6,990	1,069	6,990	-84.71%
Buildings & Building Improvements	2,934,371	2,613,454	2,934,371	2,613,454	12.28%
Machinery and Equipment	261,763	214,233	261,763	214,233	22.19%
Total Capital Assets, Net	<u>\$ 4,226,758</u>	<u>\$ 3,895,058</u>	<u>\$ 4,226,758</u>	<u>\$ 3,895,058</u>	8.52%

Depreciation expense for Governmental Activities totaled \$271,427 in 2023/2024.

**Long-Term Liabilities**

At year-end, the District had \$2,036,636 of net pension liability, and \$427,271 in other long-term liabilities outstanding – an decrease of \$628,212 from last year – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 8 to the basic financial statements.)

**Figure A-7**

**Outstanding Long-Term Liabilities**

	Total School District		Percentage Change
	2023/2024	2022/2023	2023/2024
Net Pension Liability	\$ 2,036,636	\$ 2,412,183	
Financed Purchases Payable		193,891	
Other Long Term Liabilities	427,271	486,045	
Total	<u>\$ 2,463,907</u>	<u>\$ 3,092,119</u>	-20.32%

**FAIRFIELD BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

**Factors Bearing on the District's Economic Future**

The Board and the administration have had discussions on how existing circumstances could affect the future financial health of the school district. The following example may have an impact and affect the financial operation in the future:

- A major concern is the continued growth of our special education program and the continued reduction of State Aid. This has increased our reliance on local property taxes. The District is committed to striking a fair balance between the local taxpayer and the educational necessities of its pupils.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Administrator/Board Secretary at Fairfield Township School District Board of Education, 277 Fairfield Road, Suite 208, Fairfield, NJ 07004.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS



FAIRFIELD BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2024

	<u>Governmental Activities</u>
ASSETS:	
Cash and Cash Equivalents	\$ 4,335,938
Receivables:	
Other Governments	177,724
Restricted Cash and Cash Equivalents	2,750,140
Capital Assets:	
Sites (Land)	1,029,555
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	<u>3,197,203</u>
Total Assets	<u>11,482,411</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflows Related to Pensions	<u>355,693</u>
Total Deferred Outflows of Resources	<u>355,693</u>
LIABILITIES:	
Accounts Payable	487,945
Payable to Federal Government	
Unearned Revenue	12,734
Non-Current Liabilities:	
Due Beyond One Year	<u>2,463,907</u>
Total Liabilities	<u>2,964,586</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Inflows Related to Pensions	<u>426,142</u>
Total Deferred Inflows of Resources	<u>426,142</u>
NET POSITION:	
Net Investment in Capital Assets	4,226,758
Legally Restricted:	
Designed for Subsequent Year's Expenditures	653,940
Restricted for:	
Student Activities	104,909
Capital Projects	2,495,231
Maintenance Reserve	150,000
Excess Surplus	2,993,326
Unrestricted/(Deficit)	<u>(2,167,472)</u>
Total Net Position	<u>\$ 8,456,692</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

FAIRFIELD BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Total
Governmental Activities:					
Instruction:					
Regular	\$ 5,185,305	\$ 71,710	\$ 550,314	\$ (4,563,281)	\$ (4,563,281)
Special Education	1,790,467		1,523,659	(266,808)	(266,808)
Other Special Instruction	780,314		315,404	(464,910)	(464,910)
Other Instruction	55,541			(55,541)	(55,541)
Support Services:					
Tuition	240,240			(240,240)	(240,240)
Student & Instruction Related Services	2,517,610	82,749		(2,434,861)	(2,434,861)
General Administrative Services	651,369			(651,369)	(651,369)
School Administrative Services	615,347		129,592	(485,755)	(485,755)
Central Services	493,169			(493,169)	(493,169)
Administrative Technology Services	1,177			(1,177)	(1,177)
Plant Operations and Maintenance	1,141,105		32,780	(1,108,325)	(1,108,325)
Pupil Transportation	814,872		161,364	(653,508)	(653,508)
Interest on Long-Term Debt	11,855			(11,855)	(11,855)
Total Governmental Activities	14,298,371	154,459	2,713,113	(11,430,799)	(11,430,799)

FAIRFIELD BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Total
Total Primary Government	\$ 14,298,371	\$ 154,459	\$ 2,713,113	\$ (11,430,799)	\$ (11,430,799)
General Revenue:					
Taxes:					
Property Taxes, Levied for General Purposes, Net				14,058,541	14,058,541
Miscellaneous Income				530,209	530,209
Total General Revenue				14,588,750	14,588,750
Change in Net Position				3,157,951	3,157,951
Net Position - Beginning				5,298,741	5,298,741
Net Position - Ending				\$ 8,456,692	\$ 8,456,692

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

FAIRFIELD BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,742,612		\$ 1,742,612
Receivables From State Government	145,508		145,508
Receivables From Federal Governments		\$ 34,833	34,833
Interfund Receivable	20,649		20,649
Restricted Cash and Cash Equivalents	5,238,557	104,909	5,343,466
<b>Total Assets</b>	<b>\$ 7,147,326</b>	<b>\$ 139,742</b>	<b>\$ 7,287,068</b>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 272,945		\$ 272,945
Interfunds Payable		\$ 20,649	20,649
Payable to Federal Government		162	162
Unearned Revenue		14,022	14,022
<b>Total Liabilities</b>	<b>272,945</b>	<b>34,833</b>	<b>307,778</b>
<b>Fund Balances:</b>			
<b>Restricted:</b>			
Capital Reserve Account	5,088,557		5,088,557
Maintenance Reserve Account	150,000		150,000
Excess Surplus - 2024-2025	400,000		400,000
Student Activities		104,909	104,909
Legally Restricted - Designed for Subsequent Year's Expenditures	653,940		653,940
<b>Assigned:</b>			
Year-End Encumbrances	211,753		211,753
Subsequent Year's Expenditures	78,352		78,352
Unassigned	291,779		291,779
<b>Total Fund Balances</b>	<b>6,874,381</b>	<b>104,909</b>	<b>6,979,290</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,147,326</b>	<b>\$ 139,742</b>	

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.	4,226,758
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows	140,693
Deferred Inflows	(426,142)
Long-term liabilities, including net pension liability, financed purchases payable, and other long-term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,463,907)
<b>Net Position of Governmental Activities</b>	<b>\$ 8,456,692</b>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

FAIRFIELD BOARD OF EDUCATION  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 14,058,541			\$ 14,058,541
Tuition	71,710			71,710
Rents and Royalties	9,500			9,500
Miscellaneous	520,709	\$ 88,587		609,296
Total - Local Sources	14,660,460	88,587		14,749,047
State Sources	4,455,487	30,841		4,486,328
Federal Sources		266,681		266,681
Total Revenues	19,115,947	386,109		19,502,056
EXPENDITURES:				
Current:				
Regular Instruction	3,814,873	144,551		3,959,424
Special Education Instruction	1,232,860	158,809		1,391,669
Other Special Instruction	617,793			617,793
Support Services and Undistributed Costs:				
Tuition	240,240			240,240
Student & Instruction Related Services	1,453,904	70,057		1,523,961
General Administrative Services	461,470			461,470
School Administrative Services	419,279			419,279
Central Services	308,511			308,511
Plant Operations and Maintenance	1,165,608			1,165,608
Pupil Transportation	773,528			773,528
Unallocated Benefits	5,631,716			5,631,716
Capital Outlay	354,627		\$ 256,352	610,979
Total Expenditures	16,474,409	373,417	256,352	17,104,178
Excess/(Deficiency) of Revenue over/(under) Expenditures	2,641,538	12,692	(256,352)	2,397,878
OTHER FINANCING SOURCES/(USES):				
Transfers to Cover Deficit (Enterprise Fund)	(21,679)			(21,679)
Transfers In/(Out)	212,025		(212,025)	
Total Other Financing Sources/(Uses)	190,346		(212,025)	(21,679)
Net Change in Fund Balances	2,831,884	12,692	(468,377)	2,376,199
Fund Balance - July 1	4,042,497	92,217	468,377	4,603,091
Fund Balance - June 30	\$ 6,874,381	\$ 104,909	\$ -0-	\$ 6,979,290

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL  
PART OF THIS STATEMENT

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 2,376,199

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 depreciation differs from the capital asset additions for the current year.

Adjustment \$	(158,081)
Depreciation Expense	(271,427)
Capital Outlays	<u>761,208</u>
	331,700

Repayment of financed purchases 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.

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by 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 (+).

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	375,547
Change in Deferred Outflows	(200,695)
Change in Deferred Inflows	22,535
Change in Net Position of Governmental Activities (Exhibit A-2)	\$ 3,157,951

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FAIRFIELD BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

NOT APPLICABLE

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT



FAIRFIELD BOARD OF EDUCATION  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

FAIRFIELD BOARD OF EDUCATION  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of the Fairfield Board of Education (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Statements for the fund category - *governmental* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all governmental funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, or debt service) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of lease assets or subscription assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset or lease asset or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program.

D. Budgets/Budgetary Control:

It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. 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. 6:20-2A.2(m)1. All budget Amendments/Transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last state aid payments for the current year. Since the State is recording the last state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 19,128,357	\$ 338,630
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not.		87,553
Prior Year Encumbrances Cancelled		(1,707)
Prior Year Accounts Payable Cancelled		(1,612)
Current Year Encumbrances		(38,367)
Prior Year State Aid Payments Recognized for GAAP Statements not Recognized for Budgetary Purposes	80,569	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(92,979)	
Total Revenues as Reported on the Statement of Revenues,		
Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 19,115,947</u>	<u>\$ 384,497</u>

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 16,474,409	\$ 325,938
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		45,867
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 16,474,409</u>	<u>\$ 371,805</u>

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions:

Transfers between governmental activities on the District-wide statements are reported in the same manner as general revenues. 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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed, and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue 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.

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company.



FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 Years
Site Improvements	20 Years
Machinery and Equipment	10 to 15 Years
Vehicles	8 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets are determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

In the District-wide statement of net position, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond discounts, as expenditures in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2024.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. 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.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay, begin vesting with the employee after fifteen years of service, and are paid out at retirement.

In the district-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

Q. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

T. Fund Balance Appropriated:

General Fund: Of the \$6,874,381 General Fund fund balance at June 30, 2024, \$5,088,557 is restricted in the capital reserve account; \$150,000 is restricted in the maintenance reserve account; \$400,000 is restricted as prior year excess surplus and included as anticipated revenue for the year ending June 30, 2025; \$ 653,940 is legally restricted as unexpended balance of the ballot question; \$211,753 is assigned for year end encumbrances; \$78,352 is assigned for subsequent year's expenditures; and \$291,779 is unassigned which is \$92,979 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2025.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2024 of \$104,909 is restricted for student activities.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2003, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus as described above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$92,979 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last state aid payments.

U. Deficit Net Position:

The District has a \$2,167,472 deficit in its governmental activities unrestricted net position at June 30, 2024 primarily as a result of the net pension liability and compensated absences payable. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2024.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, and subscription assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

V. Net Position: (Cont'd)

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

W. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's, highest level of decision making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for a capital reserve, maintenance reserve, legally restricted revenue, excess surplus, and student activities.

The Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources in June 30, 2024.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2024.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

X. Revenue - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

Y. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Z. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB required disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the section of this note on investments.

Custodial Credit Risk – The District does not have a policy with respect to custodial credit risk but ensures that funds are only deposited in financial institutions permitted by NJ statute.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2024, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking and Savings Accounts	\$ 1,742,612	\$ 5,343,466	\$ 7,086,078
	<u>\$ 1,742,612</u>	<u>\$ 5,343,466</u>	<u>\$ 7,086,078</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2024, was \$7,086,078 and the bank balance was \$7,557,490. The District did not hold any investments during the fiscal year ended June 30, 2024.

NOTE 4. RESTRICTED FUND BALANCE – LEGALLY RESTRICTED ACCOUNT

The restricted fund balance - legally restricted account is used to report the portion of the general fund surplus that is legally restricted for expenses outlined in a ballot question. In the 2023-2024 fiscal year the district established a reserve to be used to accumulate funds for the legally restricted ballot question in accordance with N.J.A.C. 6A:23A-12.13. On November 7, 2023 the District passed a board resolution authorizing the use of funds authorized by the ballot question in the District's General Fund. The legally restricted reserve account balance is \$653,940 as of June 30, 2024, and is to be used as anticipated revenues in the 2025-2026 fiscal year.



FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 5. CAPITAL RESERVE ACCOUNT

A capital reserve account was established for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amount or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, 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 July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balance at June 30, 2023		\$ 2,501,645
Increased by:		
Transfer by Board Resolution June 2024	\$ 2,557,622	
Unexpended Balance of Budgeted Withdrawal	35,705	
Return of Unexpended Funds to		
Capital Reserve from Capital Projects Fund	<u>212,025</u>	
Total Additions to Capital Reserve:		2,805,352
Decreased by:		
Budgeted Withdrawal from Capital Reserve		<u>(218,440)</u>
Balance at June 30, 2024		<u>\$ 5,088,557</u>

The June 30, 2024 LRFP balance of local support costs of uncompleted capital projects exceeds the balance in the capital reserve account at June 30, 2024. The withdrawal from the Capital Reserve Account was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2024, the District had \$155,362 of transfers to Capital Outlay line items for facilities acquisition and construction services which required county approval. The District had obtained and received county approval. The District had \$21,132 of transfers to Capital Outlay line items for equipment which did not require county approval.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 7. CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 98,726
Special Education	31,906
Other Instruction	15,988
Student and Instruction Related Services	43,844
General Administrative Services	11,943
School Administrative Services	10,851
Central Services	7,984
Administrative Information Technology	744
Plant Operations and Maintenance	29,422
Pupil Transportation	20,019
Total Depreciation Expense	<u>\$ 271,427</u>

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Additions	Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 1,029,555			\$ 1,029,555
Construction in Progress	30,826		\$ (30,826)	
Total Capital Assets not Being Depreciated	<u>1,060,381</u>		<u>(30,826)</u>	<u>1,029,555</u>
Capital Assets Being Depreciated				
Site Improvements	192,780		(165,874)	26,906
Buildings and Building Improvements	8,353,670	\$ 760,264	(227,262)	8,886,672
Machinery and Equipment	2,881,334	944	(1,568,855)	1,313,423
Total Capital Assets Being Depreciated	<u>11,427,784</u>	<u>761,208</u>	<u>(1,961,991)</u>	<u>10,227,001</u>
Governmental Activities Capital Assets	<u>12,488,165</u>	<u>761,208</u>	<u>(1,992,817)</u>	<u>11,256,556</u>
Less Accumulated Depreciation for:				
Site Improvements	(185,790)	(197)	160,150	(25,837)
Buildings and Building Improvements	(5,740,216)	(200,741)	(11,344)	(5,952,301)
Machinery and Equipment	(2,667,101)	(70,489)	1,685,930	(1,051,660)
Total Accumulated Depreciation	<u>(8,593,107)</u>	<u>(271,427)</u>	<u>1,834,736</u>	<u>(7,029,798)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,895,058</u>	<u>\$ 489,781</u>	<u>\$ (158,081)</u>	<u>\$ 4,226,758</u>

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2023	Issued/ Accrued	Retired	Balance 6/30/2024
Compensated Absences Payable	\$ 486,045		\$ 58,774	\$ 427,271
Financed Purchase Payable	193,891		193,891	
Net Pension Liability	2,412,183		375,547	2,036,636
	<u>\$ 3,092,119</u>	<u>\$ -0-</u>	<u>\$ 628,212</u>	<u>\$ 2,463,907</u>

A. Bonds Payable:

As of June 30, 2023, the Board had no unamortized bond issuance premiums.

B. Bonds Authorized But Not Issued:

As of June 30, 2024, the Board has no bonds authorized but not issued.

C. Financed Purchase Payable:

The District had a financed purchase agreement for modular teacher classroom units. The financed purchase agreement was for five years. The District made the final payment a year early. The District had entered into a finance purchase agreement for \$242,000 of which \$242,000 has been liquidated as of June 30, 2024 by the General Fund.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. There is no current portion of the compensated absences balance of the governmental funds in the current year. The long-term portion of compensated absences is \$427,271. The General Fund will be used to liquidate compensated absences payable.

E. Net Pension Liability

The Public Employee's Retirement System (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$-0- and the long term portion is \$2,036,636. See Note 9 for further information on the PERS.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of 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.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$187,928 for the current fiscal year. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$6,352 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be 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 the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2024, the District reported a liability of \$2,036,636 for its proportionate share of the net pension liability. 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 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions  
(Cont'd)

At June 30, 2023, the District's proportion was 0.0140609179%, which was an decrease of 0.0002% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized an actual pension benefit of \$9,459 related to the District's proportionate share of the pension liability. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$6,352 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2019	5.21		\$ (11,063)
	2020	5.16		(100,662)
	2021	5.13	\$ 4,474	
	2022	5.04		(11,704)
			<u>4,474</u>	<u>(123,429)</u>
Difference between Expected and Actual Experience	2019	5.21	846	
	2020	5.16	5,608	
	2021	5.13		(3,558)
	2022	5.04		(4,767)
	2023	5.08	13,019	
			<u>19,473</u>	<u>(8,325)</u>
Changes in Proportion	2019	5.21	16,656	
	2020	5.16	276	
	2021	5.13		(36,982)
	2022	5.04	90,435	
	2023	5.08		(257,406)
			<u>107,367</u>	<u>(294,388)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	31,540	
	2021	5.00	(262,301)	
	2022	5.00	312,075	
	2023	5.00	(71,935)	
			<u>9,379</u>	
District Contribution Subsequent to the Measurement Date	2023	1.00	215,000	
			<u>\$ 355,693</u>	<u>\$ (426,142)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

Fiscal Year Ending June 30,	Total
2024	\$ (107,527)
2025	(60,017)
2026	83,870
2027	(15,009)
2028	255
	<u>\$ (98,428)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

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

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 a 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.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.



FAIRFIELD BOARD OF EDUCATION  
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(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected\_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 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-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets 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%

Discount Rate

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 will be based upon 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.

FAIRFIELD BOARD OF EDUCATION  
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(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (6.00%)	Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 2,651,267	\$ 2,036,636	\$ 1,513,504

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. 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 table 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

FAIRFIELD BOARD OF EDUCATION  
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(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and to Tier 5 before age 65 with 30 or more years 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.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of 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.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in the amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2024, the State of New Jersey contributed \$2,270,653 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$683,232.

The employee contribution rate was 7.50% effective July 1, 2018.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$27,810,850. 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 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.0545%, which was an increase of 0.0004% from its proportion measured as of June 30, 2022.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>27,810,850</u>
Total	<u><u>\$ 27,810,850</u></u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$683,232 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	82,066,487	
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience	2016	8.30		4,866,656
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	169,161,907	
			<u>658,340,412</u>	<u>83,374,071</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	241,395,539	
	2021	5.00	(1,777,316,905)	
	2022	5.00	2,489,500,994	
	2023	6.00	(477,296,442)	
			<u>476,283,186</u>	
			<u>\$ 2,413,548,676</u>	<u>\$14,741,373,312</u>

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	56,606,524
	<u>\$ (12,327,824,636)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 4.25% based on years of service
Investment Rate of Return	7.00%

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 a 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.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) 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 returned, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets 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%

Discount Rate – TPAF

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 will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension plan investments was applied to all projected benefit payments in determining the total pension liability.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

The following presents the net pension liability of the State as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 32,794,039	\$ 27,810,850	\$ 23,613,821

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

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

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$7,290 for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to \$9,900 for the fiscal year ended June 30, 2024.



FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, 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 plans offered by the District are as follows:

AXA Equitable

VALIC

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Health Benefits are provided to the employees through the State of New Jersey Health Benefits Plan.

Property and Liability

The Fairfield Township School District is currently a member of the New Jersey Schools Insurance Group (the "Group"). The Group provides its members with Workers' Compensation, Property Building and Contents, General Liability, Automotive Liability, and Employer Liability Insurance. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The Group is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for its members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the Group is elected. As a member of the Group, the Board of Education could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities.

The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

Selected financial information for the Group as of June 30, 2024 was unavailable. Below is selected financial information for the group as of June 30, 2023 is as follows:

Total Assets	\$ 429,049,188
Net Position	\$ 201,308,725
Total Revenue	\$ 160,069,780
Total Expenses	\$ 141,165,428
Change in Net Position	\$ 18,904,352
Members Dividends	\$ -0-

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

Financial statements for the Group are available at the respective Group's Executive Director's Office:

New Jersey Schools Insurance Group

6000 Midlantic Drive  
Mount Laurel, NJ 08054  
(609) 386-6060  
[www.njsig.org](http://www.njsig.org)

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District is required to remit the New Jersey Unemployment Trust Fund employee withholdings and employer share of contributions for future benefits to be paid to its former employees charged to its account with the State.

NOTE 12. ECONOMIC DEPENDENCY

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the District's programs and activities.

NOTE 13. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the municipality and are remitted to the local school district on predetermined, agreed-upon schedules.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 14. INTERFUND RECEIVABLES, PAYABLES

The District had the following interfund payables or receivables on their various balance sheets as of June 30, 2024:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 20,649	
Special Revenue Fund		\$ 20,649
	<u>\$ 20,649</u>	<u>\$ 20,649</u>

The general fund receivable is the amount owed from the Special Revenue Fund to cover the cash deficit created from grant receivables at year end.

NOTE 15. ACCOUNTS PAYABLE

At year end June 30, 2024, the Board has the following accounts payable in the governmental funds:

	<u>Governmental Funds</u>	<u>District Contribution</u>	<u>Total</u>
	<u>General Fund</u>	<u>Subsequent to the Measurement Date</u>	<u>Governmental Activities</u>
Vendors	\$ 36		\$ 36
Payroll Deductions	272,909		272,909
State of New Jersey		\$ 215,000	215,000
	<u>\$ 272,945</u>	<u>\$ 215,000</u>	<u>\$ 487,945</u>

NOTE 16. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Encumbrances

On the District's Governmental Fund Balance Sheet as of June 30, 2024, \$38,367 is assigned for year-end encumbrances in the Special Revenue Fund. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue in the Special Revenue Fund.

<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>\$ 211,753</u>	<u>\$ 38,367</u>	<u>\$ 250,120</u>

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 16. COMMITMENTS AND CONTINGENCIES (Cont'd)

Litigation

The Board is periodically involved in pending lawsuits. The Board estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the Board.

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan 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 State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey 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 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	152,383
Active Plan Members	<u>217,212</u>
Total	<u><u>369,595</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active employees are considered to participate in the Plan upon retirement.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Mortality Rates

Pre-retirement 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. Post-retirement 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 were 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.

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 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 21,276,452
Changes for Year:	
Service Cost	736,009
Interest Cost	763,587
Changes in Assumptions	43,700
Differences between Expected and Actual Experience	(562,846)
Member Contributions	19,568
Gross Benefit Payments	<u>(595,228)</u>
Net Changes	<u>404,790</u>
Balance at June 30, 2023	<u>\$ 21,681,242</u>

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2023</u>		
	<u>At 1% Decrease (2.65%)</u>	<u>At Discount Rate (3.65%)</u>	<u>At 1% Increase (4.65%)</u>
Total OPEB Liability Attributable to the District	\$ 25,417,534	\$ 21,681,242	\$ 18,681,433

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1%	Healthcare	1%
	<u>Decrease</u>	<u>Cost Trend Rate</u>	<u>Increase</u>
Total OPEB Liability Attributable to the District	\$ 17,998,774	\$ 21,681,242	\$ 26,499,762

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

For the fiscal year ended June 30, 2024 the District recognized OPEB expense of \$180,512 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:



FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ (781,257)
	2018	9.51		(808,671)
	2019	9.29	\$ 118,967	
	2020	9.24	2,908,575	
	2021	9.24	16,555	
	2022	9.13		(4,393,321)
	2023	9.30	39,002	
			<u>3,083,099</u>	<u>(5,983,249)</u>
Differences Between Expected and Actual Experience	2018	9.51		(764,446)
	2019	9.29		(1,400,262)
	2020	9.24	2,710,907	
	2021	9.24		(3,183,604)
	2022	9.13	452,449	
	2023	9.30		(362,310)
			<u>3,163,356</u>	<u>(5,710,622)</u>
Changes in Proportion	N/A	N/A	<u>382,022</u>	<u>(2,109,312)</u>
			<u>\$ 6,628,477</u>	<u>\$ (13,803,183)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources excluding changes in proportion related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2024	\$ (1,081,221)
2025	(1,081,222)
2026	(939,735)
2027	(554,032)
2028	(113,405)
Thereafter	<u>(1,677,801)</u>
	<u>\$ (5,447,416)</u>

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

FAIRFIELD BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension liability	0.0149100000%	0.0143091135%	0.0136906749%	0.0144787332%	0.0137743200%	0.0155985558%	0.0156040101%	0.1519558830%	0.0159838481%	0.0140609179%
District's proportionate share of the net pension liability	\$ 2,793,266	\$ 3,212,109	\$ 4,054,785	\$ 3,370,418	\$ 2,712,095	\$ 2,810,623	\$ 2,544,606	\$ 1,800,145	\$ 2,036,636	\$ 2,036,636
District's covered employee payroll	\$ 996,819	\$ 996,819	\$ 984,013	\$ 952,400	\$ 1,103,660	\$ 1,119,166	\$ 1,113,589	\$ 1,144,482	\$ 1,085,911	\$ 1,194,496
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	280.22%	322.24%	412.07%	353.89%	245.74%	251.14%	228.50%	157.29%	187.55%	170.50%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

FAIRFIELD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 122,991	\$ 135,635	\$ 136,391	\$ 134,130	\$ 137,010	\$ 152,054	\$ 170,700	\$ 177,958	\$ 201,564	\$ 187,928
Contributions in relation to the contractually required contribution	(122,991)	(135,635)	(136,391)	(134,130)	(137,010)	(152,054)	(170,700)	(177,958)	(201,564)	(187,928)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 996,819	\$ 984,013	\$ 952,400	\$ 1,103,660	\$ 1,119,166	\$ 1,113,589	\$ 1,144,482	\$ 1,085,911	\$ 1,194,496	\$ 1,221,339
Contributions as a percentage of covered employee payroll	12.34%	13.78%	14.32%	12.15%	12.24%	13.65%	14.92%	16.39%	16.87%	15.39%

FAIRFIELD BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT  
 TEACHERS' PENSION AND ANNUITY FUND  
 LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State's proportion of the net pension liability attributable to the District	0.0466109431%	0.0496958788%	0.0479022721%	0.0467784172%	0.0496583242%	0.0490438559%	0.0507649212%	0.0500498980%	0.0541005061%	0.0544961692%
State's proportionate share of the net pension liability attributable to the District	\$ 24,912,032	\$ 31,409,905	\$ 37,682,977	\$ 31,539,696	\$ 31,591,559	\$ 30,098,677	\$ 33,428,090	\$ 24,061,583	\$ 27,912,840	\$ 27,810,850
District's covered employee payroll	\$ 4,676,920	\$ 4,845,198	\$ 4,932,642	\$ 5,134,357	\$ 5,358,831	\$ 5,637,881	\$ 5,993,043	\$ 6,197,283	\$ 6,308,370	\$ 6,402,971
State's proportionate share of the net pension liability attributed to the District as a percentage of its covered employee payroll	532.66%	648.27%	763.95%	614.29%	589.52%	533.87%	557.78%	388.26%	442.47%	434.34%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

FAIRFIELD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 1,340,501	\$ 1,917,857	\$ 2,831,351	\$ 2,184,910	\$ 1,841,677	\$ 1,775,300	\$ 2,078,701	\$ 566,180	\$ 751,213	\$ 683,232
Contributions in relation to the contractually required contribution	(250,642)	(383,524)	(507,768)	(731,291)	(964,574)	(1,113,469)	(1,454,890)	(2,227,132)	(2,227,836)	(2,281,465)
Contribution deficiency/(excess)	\$ 1,089,859	\$ 1,534,333	\$ 2,323,583	\$ 1,453,619	\$ 877,103	\$ 661,831	\$ 623,811	\$ (1,660,952)	\$ (1,476,623)	\$ (1,598,233)
District's covered employee payroll	\$ 4,845,198	\$ 4,932,642	\$ 5,134,357	\$ 5,358,831	\$ 5,637,881	\$ 5,993,043	\$ 6,197,283	\$ 6,308,370	\$ 6,402,971	\$ 6,293,565
Contributions as a percentage of covered employee payroll	27.67%	38.88%	55.15%	40.77%	32.67%	29.62%	33.54%	8.98%	11.73%	10.86%

FAIRFIELD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY  
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS  
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 963,147	\$ 798,815	\$ 774,152	\$ 850,789	\$ 1,276,519	\$ 1,016,055
Interest Cost	758,803	873,673	844,258	687,804	680,662	563,849
Change of Benefit Terms					(27,928)	
Differences between Expected and Actual Experience		(1,231,137)	(3,607,869)	4,205,950	(4,918,916)	(294,045)
Changes in Assumptions	(3,236,996)	(2,446,843)	284,029	5,429,069	25,887	(5,707,599)
Member Contributions	20,365	19,705	17,334	15,683	17,401	17,917
Gross Benefit Payments	(553,071)	(570,154)	(584,762)	(517,424)	(536,171)	(558,510)
Net Change in Total OPEB Liability	(2,047,752)	(2,555,941)	(2,272,858)	10,671,871	(3,482,546)	(4,962,333)
Total OPEB Liability - Beginning	25,926,011	23,878,259	21,322,318	19,049,460	29,721,331	26,238,785.00
Total OPEB Liability - Ending	\$ 23,878,259	\$ 21,322,318	\$ 19,049,460	\$ 29,721,331	\$ 26,238,785	\$ 21,276,452.00
State's Covered Employee Payroll *	\$ 5,916,655	\$ 6,086,757	\$ 6,462,491	\$ 6,757,047	\$ 7,106,632	\$ 7,341,765
Total OPEB Liability as a Percentage of Covered Employee Payroll	404%	350%	295%	440%	369%	290%
						293%

\* - Covered payroll for the fiscal years ending June 30, 2017 to 2023 are based on the payroll on the June 30, 2016 to 2022 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

C. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

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 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.



FAIRFIELD BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

C. State Health Benefit Local Education Retired Employees OPEB Plan (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

BUDGETARY COMPARISON SCHEDULES

FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 12,892,617	\$ 1,165,924	\$ 14,058,541	\$ 14,058,541	
Tuition From Individuals	60,000		60,000	71,710	\$ 11,710
Rents and Royalties	9,500		9,500	9,500	
Unrestricted Miscellaneous Revenues	5,000		5,000	520,709	515,709
Total Revenues from Local Sources	12,967,117	1,165,924	14,133,041	14,660,460	527,419
Revenues from State Sources:					
Categorical Transportation Aid	148,937		148,937	148,937	
Extraordinary Aid				110,828	110,828
Categorical Special Education Aid	768,735		768,735	768,735	
Categorical Security Aid	34,975		34,975	34,975	
Other State Aids				12,285	12,285
TPAF Post Retirement Contributions (Non-Budgeted)				628,013	628,013
TPAF Pension Contributions (Non-Budgeted)				2,281,465	2,281,465
TPAF Non-Contributory Insurance (Non-Budgeted)				26,019	26,019
TPAF Long-Term Disability Insurance (Non-Budgeted)				988	988
Reimbursed TPAF Social Security Contributions				455,652	455,652
Total Revenues from State Sources	952,647		952,647	4,467,897	3,515,250
TOTAL REVENUE	13,919,764	1,165,924	15,085,688	19,128,357	4,042,669

FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 102,645	\$ 3,558	\$ 106,203	\$ 84,323	\$ 21,880
Kindergarten - Salaries of Teachers	519,325	8,843	528,168	489,103	39,065.0
Grades 1-5 - Salaries of Teachers	2,403,929	421,772	2,825,701	2,528,980	296,721
Grades 6-8 - Salaries of Teachers	514,514	(100,934)	413,580	381,563	32,017
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000		5,000	3,247	1,753
Purchased Professional-Educational Services	5,000		5,000		5,000
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	36,135	40,971	77,106	38,908	38,198
Purchased Technical Services	9,327	6,094	15,421	5,600	9,821
Other Purchased Services (400-500 series)	128,699		128,699	101,678	27,021
General Supplies	64,603	133,925	198,528	177,971	20,557
Textbooks	4,500		4,500	3,000	1,500
Other Objects	950		950	500	450
Total Regular Programs - Instruction	3,794,627	514,229	4,308,856	3,814,873	493,983
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	157,434		157,434	139,469	17,965
Other Salaries for Instruction	51,326	10,497	61,823	59,003	2,820
General Supplies	100	400	500	430	70
Total Multiple Disabilities	208,860	10,897	219,757	198,902	20,855
Resource Room/Resource Center:					
Salaries of Teachers	864,273	70,000	934,273	853,494	80,779
Other Salaries for Instruction	60,946	(52,795)	8,151		8,151
General Supplies	650	2,350	3,000	1,699	1,301
Total Resource Room/Resource Center	925,869	19,555	945,424	855,193	90,231

FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 138,358	\$ 8,049	\$ 146,407	\$ 123,117	\$ 23,290
Other Salaries for Instruction	58,282	17,714	75,996	55,648	20,348
Total Preschool Disabilities - Part-Time	196,640	25,763	222,403	178,765	43,638
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,331,369	56,215	1,387,584	1,232,860	154,724
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	737,760	(191,168)	546,592	480,453	66,139
Other Purchased Services (400-500 series)	11,200		11,200	7,977	3,223
General Supplies	10,850		10,850	9,698	1,152
Other Objects	1,000		1,000	350	650
Total Basic Skills/Remedial - Instruction	760,810	(191,168)	569,642	498,478	71,164
Bilingual Education - Instruction:					
Salaries of Teachers	99,981		99,981	99,981	
General Supplies	1,000		1,000	503	497
Total Bilingual Education - Instruction	100,981		100,981	100,484	497
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	4,000	17,300	21,300	17,781	3,519
Supplies and Materials	5,000	500	5,500		5,500
Other Objects	1,150	5,850	7,000	1,050	5,950
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	10,150	23,650	33,800	18,831	14,969
TOTAL INSTRUCTION	5,997,937	402,926	6,400,863	5,665,526	735,337

FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Undistributed Expenditures - Instruction:					
Tuition to Priv. Sch. for the Handicap. W/I State	\$ 261,369	\$ 133,884	\$ 395,253	\$ 240,240	\$ 155,013
Total Undistributed Expenditures - Instruction	261,369	133,884	395,253	240,240	155,013
Undistributed Expenditures - Health Services:					
Salaries	175,609	70,000	245,609	208,614	36,995
Purchased Professional and Technical Services	5,000		5,000		5,000
Other Purchased Services (400-500 series)	2,837		2,837	1,912	925
Supplies and Materials	3,000		3,000	2,992	8
Other Objects	300		300	75	225
Total Undist. Expenditures - Health Services	186,746	70,000	256,746	213,593	43,153
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	277,111	100,000	377,111	222,946	154,165
Purchased Professional - Educational Services	94,000	(10,000)	84,000	16,320	67,680
Supplies and Materials	3,000		3,000	1,373	1,627
Total Undist. Expend. - Speech, OT, PT, Related Svcs	374,111	90,000	464,111	240,639	223,472
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	167,744	39,767	207,511	129,200	78,311
Purchased Professional - Educational Services	25,000	(12,000)	13,000		13,000
Supplies and Materials	400		400		400
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	193,144	27,767	220,911	129,200	91,711
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	151,328		151,328	151,328	
Supplies and Materials	200	300	500	249	251
Total Undist Expend. - Guidance	151,528	300	151,828	151,577	251

FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	\$ 337,651		\$ 337,651	\$ 334,147	\$ 3,504
Salaries of Secretarial and Clerical Assistants	53,762		53,762	53,762	
Purchased Professional - Educational Services	1,000		1,000	787	213
Other Purchased Prof. and Tech. Services	16,121		16,121	11,693	4,428
Other Purchased Services (400-500 series)	4,600		4,600	2,981	1,619
Supplies and Materials	3,300		3,300	2,169	1,131
Other Objects	2,000		2,000	1,255	745
Total Undist Expend. - Child Study Team	418,434		418,434	406,794	11,640
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	82,340		82,340	82,340	
Total Undist. Expend.-Improv. of Inst. Serv.	82,340		82,340	82,340	
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries		\$ 90,000	90,000	64,007	25,993
Salaries of Technology Coordinators	136,999	31,661	168,660	132,715	35,945
Unused Vacation Payment to Terminated/Retired Staff		4,339	4,339	4,339	
Other Purchased Services (400-500 series)	25,758		25,758	17,465	8,293
Supplies and Materials	2,000	131	2,131	1,624	507
Other Objects	1,000	(131)	869		869
Total Undist Expend-Edu. Media Serv./Sch. Library	165,757	126,000	291,757	220,150	71,607
Undist.Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	5,527		5,527	4,992	535
Other Purchased Services (400-500 series)	9,000		9,000	4,619	4,381
Total Undist.Expend.-Instructional Staff Training Services	14,527		14,527	9,611	4,916

FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 331,077	\$ (8,387)	\$ 322,690	\$ 282,982	\$ 39,708
Unused Vacation Payment to Terminated/Retired Staff		24,046	24,046	24,046	
Legal Services	45,000	25,387	70,387	68,601	1,786
Audit Fees	30,000		30,000	30,000	
Other Purchased Professional Services	4,000		4,000		4,000
Purchased Technical Services	4,100		4,100	3,257	843
Communications / Telephone	44,000		44,000	34,744	9,256
BOE Other Purchased Services	6,300		6,300	1,129	5,171
Other Purch. Serv. (400-500 series other than 530 & 585)	12,750		12,750	4,038	8,712
General Supplies	3,300		3,300	2,368	932
BOE In-house training/ Meeting Supplies	250		250		250
Judgments Against The School District	5,000	(5,000)			
Miscellaneous Expenditures	10,500	(6,380)	4,120	3,925	195
BOE Membership Dues and Fees		6,380	6,380	6,380	
Total Undist. Expend.-Support Serv.-Gen. Admin.	496,277	36,046	532,323	461,470	70,853
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Program Director	238,492		238,492	238,486	6
Salaries of Other Professional Staff	62,980		62,980	62,980	
Salaries of Secretarial and Clerical Assistants	91,292		91,292	91,292	
Purchased Professional and Technical Services	17,000		17,000	16,635	365
Other Purchased Services (400-500 series)	11,600	(1,497)	10,103	5,692	4,411
Supplies and Materials	2,735	2,439	5,174	2,474	2,700
Other Objects	2,000	(92)	1,908	1,720	188
Total Undist. Expend.-Support Serv.-School Adm.	426,099	850	426,949	419,279	7,670



FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Undist. Expend. - Central Services:					
Salaries	\$ 297,921		\$ 297,921	\$ 289,814	\$ 8,107
Purchased Professional Services	30,500	\$ (25,292)	5,208	3,151	2,057
Miscellaneous Purchased Services (400-500 series other than 594)	7,130		7,130	4,742	2,388
Supplies and Materials	7,184	(3,353)	3,831	3,810	21
Interest on Lease Purchase Agreements	6,696		6,696	6,694	2
Other Objects	1,400		1,400	300	1,100
Total Undist. Expend. - Central Services	350,831	(28,645)	322,186	308,511	13,675
Undist. Expend. - Admin. Info. Technology:					
Other Purchased Services (400-500 series)	32,200		32,200	28,745	3,455
Total Undist. Expend. - Admin. Info. Technology	32,200		32,200	28,745	3,455
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	96,069	600	96,669	96,669	
Cleaning, Repair, and Maintenance Services	184,500	64,702	249,202	171,950	77,252
Lead Testing of Drinking Water		1,191	1,191		1,191
General Supplies	53,473	(31,662)	21,811	13,700	8,111
Other Objects	13,400		13,400	7,158	6,242
Total Undist. Expend.- Required Maint. for School Facilities	347,442	34,831	382,273	289,477	92,796

FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Undist. Expend.-Custodial Services:					
Salaries	\$ 383,202	\$ 37,678	\$ 420,880	\$ 338,087	\$ 82,793
Cleaning, Repair, and Maintenance Services	19,400		19,400	10,104	9,296
Rental of Land & Bldg. Oth. than Lease Pur. Agrmt.	52,440		52,440	52,440	
Other Purchased Property Services	25,000		25,000	11,632	13,368
Insurance	92,000	(4,992)	87,008	86,185	823
General Supplies	52,270		52,270	40,719	11,551
Energy (Natural Gas)	162,570		162,570	61,856	100,714
Energy (Electricity)	158,500		158,500	138,414	20,086
Energy (Gasoline)	3,600		3,600	2,440	1,160
Total Undist. Expend.-Custodial Services	948,982	32,686	981,668	741,877	239,791
Security:					
Purchased Professional and Technical Services	108,800	12,800	121,600	102,384	19,216
Cleaning, Repair, and Maintenance Services	12,000		12,000	2,900	9,100
General Supplies	4,225		4,225	225	4,000
Total Security	125,025	12,800	137,825	105,509	32,316
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	1,421,449	80,317	1,501,766	1,136,863	364,903
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	46,485		46,485	14,768	31,717
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	20,044	19,730	39,774	37,444	2,330
Contract. Serv.(Bet. Home & Sch.)-Vendors	537,140	590	537,730	532,114	5,616
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	7,800	3,900	11,700	2,808	8,892
Contract. Serv.(Spl. Ed. Students)-Vendors	400,319	(49,370)	350,949	160,498	190,451
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSAAs	40,000		40,000	25,896	14,104
Total Undist. Expend.-Student Trans. Serv.	1,051,788	(25,150)	1,026,638	773,528	253,110

FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 191,000	\$ 20,449	\$ 211,449	\$ 150,194	\$ 61,255
Other Retirement Contributions - PERS	240,000	(52,072)	187,928	187,928	
Other Retirement Contributions - Regular	22,800		22,800	7,290	15,510
Unemployment Compensation	36,300	4,410	40,710	28,504	12,206
Workers Compensation	87,000		87,000	83,481	3,519
Health Benefits	2,020,047	259,840	2,279,887	1,734,796	545,091
Tuition Reimbursement	20,000		20,000	7,466	12,534
Other Employee Benefits	67,416	(28,513)	38,903		38,903
Unused Sick Payment to Terminated/Retired Staff	35,000	4,920	39,920	39,920	
TOTAL UNALLOCATED BENEFITS	2,719,563	209,034	2,928,597	2,239,579	689,018
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				628,013	(628,013)
TPAF Pension Contributions (Non-Budgeted)				2,281,465	(2,281,465)
TPAF Non-Contributory Insurance (Non-Budgeted)				26,019	(26,019)
TPAF Long-Term Disability Insurance (Non-Budgeted)				988	(988)
Reimbursed TPAF Social Security Contributions				455,652	(455,652)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				3,392,137	(3,392,137)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 2,719,563	\$ 209,034	\$ 2,928,597	5,631,716	(2,703,119)
TOTAL UNDISTRIBUTED EXPENDITURES	8,346,163	720,403	9,066,566	10,454,256	(1,387,690)
TOTAL GENERAL CURRENT EXPENSE	14,344,100	1,123,329	15,467,429	2,936,485	(2,936,485)
CAPITAL OUTLAY				16,119,782	(652,353)
Equipment:					
Undistributed Expenditures - Central Services		7,749	7,749	3,150	4,599
Undist. Expend. - Required Maint for School Fac.		13,383	13,383		13,383
Total Equipment		21,132	21,132	3,150	17,982

FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	\$ 255,988		\$ 255,988	\$ 52,581	\$ 203,407
Other Purchased Prof. and Tech. Services	2,500		2,500	1,350	1,150
Construction Services	120,000		120,000	84,295	35,705
Lease Purchase Agreements - Principal	46,034	\$ 155,362	201,396	201,396	
Assessment for Debt Service on SDA Funding	11,855		11,855	11,855	
Total Facilities Acquisition and Const. Serv.	436,377	155,362	591,739	351,477	240,262
<b>TOTAL CAPITAL OUTLAY</b>	436,377	176,494	612,871	354,627	258,244
<b>TOTAL EXPENDITURES</b>	14,780,477	1,299,823	16,080,300	16,474,409	(394,109)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(860,713)	(133,899)	(994,612)	2,936,485	3,648,560
<b>Other Financing Sources/(Uses):</b>					
Transfers from Capital Projects Fund - Capital Reserve				212,025	212,025
Transfers to Cover Deficit - Food Service Fund	(30,000)		(30,000)	(21,679)	8,321
Total other Financing Sources/(Uses)	(30,000)		(30,000)	190,346	8,321
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(890,713)	(133,899)	(1,024,612)	2,844,294	3,656,881
Fund Balance, July 1	4,123,066		4,123,066	4,123,066	
Fund Balance, June 30	\$ 3,232,353	\$ (133,899)	\$ 3,098,454	\$ 6,967,360	\$ 3,656,881

FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Legally Restricted - Designated for Subsequent Year's Expenditures				\$ 653,940	
Excess Surplus - Restricted For 2024-2025				400,000	
Capital Reserve				2,495,231	
Maintenance Reserve				150,000	
Assigned Fund Balance:					
Year End Encumbrances				211,753	
Designated for Subsequent Year's Expenditures				78,352	
Unassigned Fund Balance				384,758	
				<u>6,967,360</u>	
Reconciliation to Governmental Funds Statement (GAAP):				<u>(92,979)</u>	
Last State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,874,381</u>	

FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	\$ 240,891	\$ (18,334)	\$ 222,557	\$ 219,202	\$ (3,355)
State Sources		30,841	30,841	30,841	
Local Sources	41,428	34,062	75,490	88,587	13,097
Total Revenues	282,319	46,569	328,888	338,630	9,742
<b>EXPENDITURES:</b>					
Instruction					
Tuition	9,500	65,169	74,669	74,669	
Other Purchased Services	44,275	(24,490)	19,785	19,785	
General Supplies	25,724	(9,734)	15,990	15,990	
Total Instruction	79,499	30,945	110,444	110,444	
Support Services					
Purchased Professional - Technical Services	8,840	(3,946)	4,894	4,894	
Other Purchased Services	158,437	(47,285)	111,152	109,702	1,450
Supplies and Materials	4,526	(3,026)	1,500	1,500	
Student Activities	31,017	39,040	70,057	70,057	
Total Support Services	202,820	(15,217)	187,603	184,653	2,950
Facilities Acquisition and Construction Services:					
Building		30,841	30,841	30,841	
Total Facilities Acquisition and Construction Services		30,841	30,841	30,841	
Total Expenditures	282,319	46,569	328,888	325,938	2,950
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 12,692	\$ 12,692

FAIRFIELD BOARD OF EDUCATION  
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) "Revenue" from the Budgetary Comparison Schedule	\$ 19,128,357	\$ 338,630
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Prior Year Encumbrances		87,553
Prior Year Encumbrances Cancelled		(1,707)
Current Year Encumbrances		(38,367)
Prior year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	80,569	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(92,979)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 19,115,947</u>	<u>\$ 386,109</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 16,474,409	\$ 325,938
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		47,479
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 16,474,409</u>	<u>\$ 373,417</u>

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. 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. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

FAIRFIELD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted on the previous page. 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 General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last state aid payments for the current year. Since the State is recording the last state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.



SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

FAIRFIELD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	IDEA Part B,		ERIC	SDA Emergent	
	2024 Basic	2024 Preschool	Safety	Local Grant	Capital & Maintenance Needs
REVENUE:					
Federal Sources	\$ 158,809	\$ 10,526			
State Sources			\$ 2,033	\$ 3,805	\$ 30,841
Local Sources					
Total Revenue	158,809	10,526	2,033	3,805	30,841
EXPENDITURES:					
Instruction:					
Tuition	74,669				
Other Purchased Services		1,497		3,805	
General Supplies					
Total Instruction	74,669	1,497		3,805	
Support Services:					
Purchased Professional -					
Technical Services	84,140	9,029	2,033		
Other Purchased Services					
Student Activities					
Total Support Services	84,140	9,029	2,033		
Facilities Acquisition:					30,841
Building					30,841
Total Facilities Acquisition					30,841
Total Expenditures	\$ 158,809	\$ 10,526	\$ 2,033	\$ 3,805	\$ 30,841

FAIRFIELD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Elementary and Secondary Education Act		Student	Totals
	2024 Title I	2024 Title II	2024 Title IV	June 30, 2024
<b>REVENUE:</b>				
Federal Sources	\$ 28,973	\$ 10,894	\$ 10,000	\$ 219,202
State Sources				30,841
Local Sources			\$ 82,749	88,587
Total Revenue	28,973	10,894	10,000	338,630
<b>EXPENDITURES:</b>				
Instruction:				
Tuition				74,669
Other Purchased Services	19,785			19,785
General Supplies	9,188		1,500	15,990
Total Instruction	28,973		1,500	110,444
Support Services:				
Purchased Professional -				
Technical Services		4,894		4,894
Other Purchased Services		6,000	8,500	109,702
Student Activities			70,057	70,057
Total Support Services		10,894	8,500	184,653
Facilities Acquisition:				
Building				30,841
Total Facilities Acquisition				30,841
Total Expenditures	\$ 28,973	\$ 10,894	\$ 10,000	\$ 325,938

CAPITAL PROJECTS FUND

FAIRFIELD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Expenditures and Other Financing Uses:	
Transfer to General Fund - Capital Reserve	\$ 212,025
Construction Services	<u>256,352</u>
Total Expenditures and Other Financing Uses	<u>468,377</u>
Deficit of Revenues and Other Financing Sources	
Under Expenditures and Other Financing Uses	(468,377)
Fund Balance - Beginning Balance	<u>468,377</u>
Fund Balance - Ending Balance	<u><u>\$ 0</u></u>

FAIRFIELD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES,  
PROJECT BALANCES AND PROJECT STATUS  
BUDGETARY BASIS  
ELECTRICAL SERVICE PANELS AT STEVENSON SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Transfers from Capital Reserve	\$ 500,000	\$ (212,025)	\$ 287,975	\$ 287,975
Total Revenue and Other Financing Sources	500,000	(212,025)	287,975	287,975
Expenditures:				
Construction Services		256,352	256,352	256,352
Other Purchased Professional/Technical Services	31,623		31,623	31,623
Total Expenditures	31,623	256,352	287,975	287,975
Excess of Revenue and Other Financing Sources Over Expenditures	\$ 468,377	\$ (468,377)	\$ -0-	\$ - 0 -
Additional Project Information:				
Original Authorized Cost	\$ 500,000			
Adjustment to Actual Project Costs	\$ (12,025)			
Revised Authorized Cost	\$ 287,978			
Percentage Decrease over Original Authorized Cost	-2.41%			
Percentage Completion	100.00%			
Original Target Completion Date	12/31/2023			

PROPRIETARY FUNDS  
(NOT APPLICABLE)



FIDUCIARY ACTIVITIES  
(NOT APPLICABLE)

LONG-TERM LIABILITIES
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FAIRFIELD BOARD OF EDUCATION  
LONG-TERM LIABILITIES  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

FAIRFIELD BOARD OF EDUCATION  
LONG-TERM LIABILITIES  
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Series</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2023</u>	<u>Matured</u>	<u>Balance June 30, 2024</u>
Modular (TCU)	3.45%	12/1/2023	<u>\$ 193,891</u>	<u>\$ 193,891</u>	<u>\$ -0-</u>
			<u><u>\$ 193,891</u></u>	<u><u>\$ 193,891</u></u>	<u><u>\$ -0-</u></u>

FAIRFIELD BOARD OF EDUCATION  
LONG-TERM LIABILITIES  
SCHEDULE OF OBLIGATIONS UNDER LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

**STATISTICAL SECTION**  
**(UNAUDITED)**

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

**Contents**

**Exhibit**

**Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

**Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

**Operating Information**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.



FAIRFIELD BOARD OF EDUCATION

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

*(Accrual Basis of Accounting)*

	June 30,				
	2015	2016	2017	2018	2019
Governmental Activities:					
Net Investment in Capital Assets	\$ 3,563,941	\$ 4,579,652	\$ 4,591,028	\$ 4,381,673	\$ 4,333,377
Restricted	495,975	478,380	352,885	973,374	1,655,106
Unrestricted/(Deficit)	(2,877,339)	(2,882,200)	(3,068,609)	(3,198,400)	(3,359,137)
Total Governmental Activities Net Position	<u>\$ 1,182,577</u>	<u>\$ 2,175,832</u>	<u>\$ 1,875,304</u>	<u>\$ 2,156,647</u>	<u>\$ 2,629,346</u>
District-Wide:					
Net Investment in Capital Assets	\$ 3,563,941	\$ 4,579,652	\$ 4,591,028	\$ 4,381,673	\$ 4,333,377
Restricted	495,975	478,380	352,885	973,374	1,655,106
Unrestricted/(Deficit)	(2,877,339)	(2,882,200)	(3,068,609)	(3,198,400)	(3,359,137)
Total District-Wide Net Position	<u>\$ 1,182,577</u>	<u>\$ 2,175,832</u>	<u>\$ 1,875,304</u>	<u>\$ 2,156,647</u>	<u>\$ 2,629,346</u>
	June 30,				
	2020	2021	2022	2023	2024
Governmental Activities:					
Net Investment in Capital Assets	\$ 4,226,634	\$ 4,021,509	\$ 3,841,220	\$ 3,701,167	\$ 4,226,758
Restricted	2,090,179	2,990,424	3,010,597	3,538,597	5,743,466
Unrestricted/(Deficit)	(3,417,821)	(3,214,408)	(2,208,872)	(1,941,023)	(2,167,472)
Total Governmental Activities Net Position	<u>\$ 2,898,992</u>	<u>\$ 3,797,525</u>	<u>\$ 4,642,945</u>	<u>\$ 5,298,741</u>	<u>\$ 7,802,752</u>
District-Wide:					
Net Investment in Capital Assets	\$ 4,226,634	\$ 4,021,509	\$ 3,841,220	\$ 3,701,167	\$ 4,226,758
Restricted	2,090,179	2,990,424	3,010,597	3,538,597	5,743,466
Unrestricted/(Deficit)	(3,417,821)	(3,214,408)	(2,208,872)	(1,941,023)	(2,167,472)
Total District-Wide Net Position	<u>\$ 2,898,992</u>	<u>\$ 3,797,525</u>	<u>\$ 4,642,945</u>	<u>\$ 5,298,741</u>	<u>\$ 7,802,752</u>

Source: Fairfield Township School District Financial Reports.

FAIRFIELD BOARD OF EDUCATION  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
UNAUDITED  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 5,954,422	\$ 6,357,873	\$ 7,168,636	\$ 7,412,201	\$ 7,199,573	\$ 6,860,678	\$ 7,031,298	\$ 5,571,387	\$ 5,512,710	\$ 5,185,305
Special Education	1,677,704	2,185,110	2,394,523	2,281,485	1,423,930	1,932,360	2,177,585	1,938,135	1,821,173	1,790,467
Other Special Education	745,287	636,496	832,853	944,978	1,080,272	1,076,142	1,048,952	922,254	1,070,173	780,314
Other Instruction		124,675	170,149	205,500	201,169	186,281	185,152	15,778	9,538	55,541
Support Services:										
Tuition		228,441	190,133		17,320	22,720	782	8,718	163,265	240,240
Student & Instruction Related Services	1,665,215	1,631,895	1,356,886	1,600,983	2,006,868	1,939,594	1,947,081	2,614,906	2,397,964	2,517,610
General & Business Administrative Services	497,986	447,705	469,307	553,570	547,904	534,134	600,113	802,803	648,698	651,369
School Administrative Services	603,042	627,866	693,929	551,977	580,610	667,926	697,779	731,015	662,491	615,347
Central Services	3,119	303,010	272,290	359,888	353,815	362,811	389,759	520,382	434,093	493,169
Administrative Technology Services			4,779	2,225			26,411	845	525	1,177
Plant Operations And Maintenance	1,104,453	1,112,433	1,284,650	1,262,544	1,118,327	1,273,132	1,058,299	1,645,962	1,870,470	1,141,105
Pupil Transportation	670,923	601,724	593,135	584,773	649,304	650,872	723,186	744,218	696,657	814,872
Business and Other Support Services	287,224									
Capital Outlay		11,855								
Special Schools			38,786	28,469	24,765	21,021	17,239	13,438		11,855
Interest On Long-Term Debt	37,100	30,347								
Total Governmental Activities Expenses	\$ 13,246,475	\$ 14,299,430	\$ 15,470,056	\$ 15,788,594	\$ 15,203,857	\$ 15,527,671	\$ 15,903,636	\$ 15,529,841	\$ 15,301,195	\$ 14,298,371
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 21,000	\$ 25,000	\$ 97,107	\$ 165,408	\$ 99,108	\$ 111,718	\$ 133,164	\$ 155,702	\$ 258,880	\$ 154,459
Operating Grants and Contributions	2,736,663	3,397,663	4,165,300	4,609,867	3,915,179	3,931,785	4,356,106	3,846,136	3,175,125	2,713,113
Capital Grants and Contributions	4,222			(3,206)						
Total Governmental Activities Program Revenues	\$ 2,761,885	\$ 3,422,663	\$ 4,262,407	\$ 4,772,069	\$ 4,014,287	\$ 4,043,503	\$ 4,489,270	\$ 4,001,838	\$ 3,434,005	\$ 2,867,572

FAIRFIELD BOARD OF EDUCATION  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
UNAUDITED  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expenses)/Revenue:										
Governmental Activities	\$ (10,484,590)	\$ (10,876,767)	\$ (11,207,649)	\$ (11,016,525)	\$ (11,189,570)	\$ (11,484,168)	\$ (11,414,366)	\$ (11,528,003)	\$ (11,865,607)	\$ (11,430,799)
Total District-Wide Net Expense	\$ (10,484,590)	\$ (10,876,767)	\$ (11,207,649)	\$ (11,016,525)	\$ (11,189,570)	\$ (11,484,168)	\$ (11,414,366)	\$ (11,528,003)	\$ (11,865,607)	\$ (11,430,799)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 10,257,192	\$ 10,487,978	\$ 10,708,159	\$ 11,102,556	\$ 11,378,705	\$ 11,662,035	\$ 11,895,276	\$ 12,133,182	\$ 12,375,846	\$ 14,058,541
Taxes Levied for Debt Service	142,867	147,447	141,772	145,801	93,220	40,599	85,700	81,900		
Federal and State Aid not Restricted	22,316	1,145	274	1,651						
Miscellaneous Income	49,723	44,487	56,916	47,860	190,344	148,293	331,923	158,340	145,557	530,209
Total Governmental Activities General Revenue and Other Changes in Net Position	10,472,098	10,681,057	10,907,121	11,297,868	11,662,269	11,850,927	12,312,899	12,373,422	12,521,403	14,588,750
Change in Net Position:										
Governmental Activities	\$ (12,492)	\$ (195,710)	\$ (300,528)	\$ 281,343	\$ 472,699	\$ 366,759	\$ 898,533	\$ 845,419	\$ 655,796	\$ 3,157,951
Total District-Wide Change in Net Position	\$ (12,492)	\$ (195,710)	\$ (300,528)	\$ 281,343	\$ 472,699	\$ 366,759	\$ 898,533	\$ 845,419	\$ 655,796	\$ 3,157,951

Source: Fairfield Township School District Financial Reports.

FAIRFIELD BOARD OF EDUCATION  
FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS

UNAUDITED

*(Modified Accrual Basis of Accounting)*

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Restricted	\$ 440,743	\$ 478,380	\$ 352,885	\$ 924,493	\$ 1,593,284	\$ 2,048,986	\$ 2,955,942	\$ 3,082,793	\$ 3,446,380	\$ 6,292,497
Committed	48,849									
Assigned	115,407	47,521	136,497	51,987	12,941	51,451	41,646	40,495	277,538	290,105
Unassigned		221,200	173,693	230,669	269,180	240,484	424,592	457,765	318,579	291,779
Total General Fund	\$ 604,999	\$ 747,101	\$ 663,075	\$ 1,207,149	\$ 1,875,405	\$ 2,340,921	\$ 3,422,180	\$ 3,581,053	\$ 4,042,497	\$ 6,874,381
All Other Governmental Funds:										
Restricted				\$ 48,881	\$ 48,881	\$ 41,193	\$ 34,482	\$ 45,501	\$ 92,217	\$ 104,909
Committed	\$ 254,415	\$ 134,602	\$ 134,602	131,984				469,174	468,377	
Total All Other Governmental Funds	\$ 254,415	\$ 134,602	\$ 134,602	\$ 180,865	\$ 48,881	\$ 41,193	\$ 34,482	\$ 514,675	\$ 560,594	\$ 104,909
Total Governmental Funds:										
Restricted	\$ 440,743	\$ 478,380	\$ 352,885	\$ 973,374	\$ 1,642,165	\$ 2,090,179	\$ 2,990,424	\$ 3,128,294	\$ 3,538,597	\$ 6,397,406
Committed	303,264	134,602	134,602	131,984				469,174	468,377	
Assigned	115,407	47,521	136,497	51,987	12,941	51,451	41,646	40,495	277,538	290,105
Unassigned		221,200	173,693	230,669	269,180	240,484	424,592	457,765	318,579	291,779
Total Governmental Funds:	\$ 859,414	\$ 881,703	\$ 797,677	\$ 1,388,014	\$ 1,924,286	\$ 2,382,114	\$ 3,456,662	\$ 4,095,728	\$ 4,603,091	\$ 6,979,290

Source: Fairfield Township School District Financial Reports.

FAIRFIELD BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax Levy	\$ 10,400,059	\$ 10,635,425	\$ 10,849,931	\$ 11,248,357	\$ 11,471,925	\$ 11,702,634	\$ 11,980,976	\$ 12,215,082	\$ 12,375,846	\$ 14,058,541
Tuition Charges	21,000	25,000	149,341	197,901	110,371	119,193	132,752	138,408	90,250	81,210
Miscellaneous	53,945	46,987	7,559	18,405	182,854	145,482	347,501	181,900	319,905	609,296
State Sources	1,639,080	1,671,177	1,668,304	2,076,691	2,337,594	2,542,888	2,970,709	3,912,215	4,283,348	4,486,328
Federal Sources	153,815	190,798	170,810	186,570	185,495	204,938	253,133	653,193	628,957	266,681
<b>Total Revenue</b>	<b>12,267,899</b>	<b>12,569,387</b>	<b>12,845,945</b>	<b>13,727,924</b>	<b>14,288,239</b>	<b>14,715,135</b>	<b>15,685,071</b>	<b>17,100,798</b>	<b>17,698,306</b>	<b>19,502,056</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	5,301,155	3,771,546	3,615,422	3,809,433	4,000,399	3,849,600	3,798,350	4,195,206	4,198,503	3,959,424
Special Education Instruction	1,529,658	1,215,102	1,265,519	1,221,560	846,559	1,124,158	1,280,894	1,478,677	1,370,487	1,391,669
Other Instruction	667,988	420,788	514,279	570,375	672,979	685,879	642,651	725,370	831,957	617,793
<b>Support Services:</b>										
Tuition		228,441	190,133		17,320	22,720	782	8,718	163,265	240,240
Student/Instruction Related Services	1,539,039	1,163,828	1,047,644	1,092,419	1,413,851	1,381,961	1,403,046	1,286,183	1,549,961	1,523,961
General Administrative Services	462,901	381,594	370,477	421,061	424,081	402,234	463,983	505,408	474,918	461,470
School Administrative Services	532,931	381,192	367,186	322,415	348,013	434,854	445,596	459,028	462,351	419,279
Other Administrative Services	262,820	246,833	190,392	251,118	254,958	248,773	278,424	292,448	286,672	308,511
Administrative Technology Services			4,620	2,156			25,630			
Plant Operations And Maintenance	902,324	824,979	1,037,439	1,001,486	1,030,557	1,056,163	871,371	1,145,463	1,193,624	1,165,608
Pupil Transportation	668,910	590,271	560,176	552,354	628,638	630,436	700,101	718,177	684,335	773,528
Unallocated Benefits		3,188,141	3,419,658	3,760,737	3,937,875	4,038,962	4,571,472	5,474,286	5,471,643	5,631,716
Undistributed Expenditures - Food Service			8,612	9,212	11,742	13,918				
Capital Outlay	106,604	92,679	105,578	26,341	71,775	319,359	42,523	82,679	718,772	610,979
Debt Service:										
Principal	105,000	115,000	205,000	80,000	80,000	80,000	80,000	80,000		
Interest And Other Charges	37,866	32,448	27,836	16,920	13,220	9,480	5,700	1,900		
<b>Total Expenditures</b>	<b>12,117,196</b>	<b>12,652,842</b>	<b>12,929,971</b>	<b>13,137,587</b>	<b>13,751,967</b>	<b>14,298,497</b>	<b>14,610,523</b>	<b>16,453,543</b>	<b>17,406,488</b>	<b>17,104,178</b>
<b>Excess (Deficiency) Of Revenues</b>										
Over (Under) Expenditures	150,703	(83,455)	(84,026)	590,337	536,272	416,638	1,074,548	647,255	291,818	2,397,878

FAIRFIELD BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing Sources (Uses):										
Transfers In										
Financial Purchases (Non-budgeted)			\$ 91,064	\$ 588	\$ (131,984)	\$ (131,984)		\$ 500,000	\$ 242,000	4
Transfers to Cover Deficit (Enterprise Fund)			(91,064)	(588)	131,984	131,984		(508,185)	(26,459)	\$ (21,679)
Transfers Out									(4)	
Total Other Financing Sources (Uses)								(8,185)	215,541	(21,679)
Net Change In Fund Balances	\$ 150,703	\$ (83,455)	\$ (84,026)	\$ 590,337	\$ 536,272	\$ 416,638	\$ 1,074,548	\$ 639,070	\$ 507,359	\$ 2,376,199
Debt Service As A Percentage Of										
Noncapital Expenditures	1.24%	1.17%	1.80%	0.74%	0.68%	0.63%	0.59%	0.50%	0.00%	0.00%

Source: Fairfield Township School District Financial Reports.

FAIRFIELD BOARD OF EDUCATION  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Modified Accrual Basis of Accounting)*

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>Other</u>	<u>Total</u>
2015	\$ 7,174	\$ 21,000	\$ 31,370	\$ -0-	\$ 11,179	\$ 70,723
2016	-0-	25,000	-0-	40,109	4,378	69,487
2017	-0-	97,107	-0-	52,234	4,682	154,023
2018	1,963	165,408	-0-	32,493	13,404	213,268
2019	14,733	99,108	26,586	11,263	137,762	289,452
2020	21,810	111,718	35,545	7,475	83,460	260,008
2021	9,708	120,002	303,938	12,750	5,526	451,924
2022	-0-	128,908	-0-	9,500	148,840	287,248
2023	60,679	80,600	-0-	9,650	75,228	226,157
2024	228,359	71,710	-0-	9,500	292,350	601,919

Source: Fairfield Township School District Financial Reports.

FAIRFIELD BOARD OF EDUCATION  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY.  
LAST TEN YEARS  
UNAUDITED

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2014	\$ 38,420,800	\$ 1,111,492,100	\$ 424,200	\$ 33,300	\$ 653,979,100	\$ 802,744,600	\$ 15,000,000	\$ 2,622,094,100	\$ 7,402,303	\$ 2,629,496,403	\$ 0.395	\$ 2,591,005,944
2015	35,777,700	1,119,961,500	424,200	33,300	650,582,100	791,236,800	15,000,000	2,613,015,600	7,466,353	2,620,481,953	0.406	2,648,934,593
2016	36,133,900	1,123,687,800	452,200	27,600	627,499,880	779,629,900	15,000,000	2,582,431,280	6,669,400	2,589,100,680	0.419	3,041,679,929
2017	34,274,500	1,130,908,200	452,200	27,600	612,516,480	775,968,500	15,000,000	2,569,147,480	7,003,818	2,576,151,298	0.437	2,915,051,007
2018	36,442,200	1,139,996,200	452,200	27,600	610,677,980	773,692,800	15,000,000	2,576,288,980	7,336,353	2,583,625,333	0.444	2,887,300,037
2019	34,096,900	1,151,402,600	452,200	27,600	620,482,280	771,772,400	22,995,600	2,601,229,580	6,875,879	2,608,105,459	0.374	3,183,326,152
2020 *	43,294,400	1,366,309,500	483,200	14,300	725,211,700	1,024,963,100	31,431,100	3,191,707,300	8,385,227	3,200,092,527	0.374	3,303,343,607
2021	37,871,700	1,370,749,500	483,200	14,300	723,081,900	1,023,511,800	41,631,100	3,197,343,500	7,768,477	3,205,111,977	0.381	3,528,684,125
2022	44,784,000	1,371,849,600	-0-	14,300	704,605,500	1,026,436,200	41,631,100	3,189,320,700	7,796,800	3,197,117,500	0.387	3,548,449,259
2023	36,951,000	1,376,417,200	-0-	14,300	694,621,100	1,024,683,000	62,331,100	3,195,017,700	7,609,400	3,202,627,100	0.386	3,833,696,407

\* Revaluation/Reassessment Year

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.  
 Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

b Tax rates are per \$100 of assessed valuation.

Source: Fairfield Township Tax Assessor.



FAIRFIELD BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
*(rate per \$100 of assessed value)*

Year Ended December 31,	Fairfield Board of Education School Commercial Package - NJSIG			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	West Essex Regional School District	Fairfield Township	Essex County	
2014	\$ 0.389	\$ 0.006	\$ 0.395	\$ 0.538	\$ 0.526	\$ 0.497	\$ 1.956
2015	0.401	0.005	0.406	0.554	0.544	0.515	2.019
2016	0.414	0.005	0.419	0.616	0.571	0.597	2.203
2017	0.431	0.006	0.437	0.609	0.564	0.581	2.191
2018	0.438	0.006	0.444	0.620	0.561	0.560	2.185
2019	0.373	0.001	0.374	0.748	0.557	0.590	2.269
2020	* 0.371	0.003	0.374	0.562	0.496	0.501	1.933
2021	0.378	0.003	0.381	0.601	0.495	0.550	2.027
2022	0.387		0.387	0.592	0.520	0.504	2.003
2023	0.386		0.386	0.618	0.539	0.510	2.053

\* Revaluation/Reassessment Year

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

- a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.
- b Rates for debt service are based on each year's requirements.

Source: Fairfield Township Tax Collector and School Business Administrator.

FAIRFIELD BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

2024			2015			
Taxpayer	School Commercial Package - NJSIG		Taxpayer	Taxable		
	Taxable Value	% of Total Assessed Value		Assessed Value	% of Total District Net Assessed Value	
Colfin Industrial LLC	\$	84,041,200	Prudential Financial - 80 Livingston	\$	67,100,400	4.10%
Breit Industrial Fair Prop LLC		51,381,700	ADP Incorporated		61,626,400	3.77%
KSIP I Fairfield, LLC		43,544,700	56 Livingston Owner		57,127,200	3.49%
LMAN LNT LLC		34,417,500	Segal Development		53,906,200	3.30%
Marshall Field/Target Corp		26,295,800	Prudential Financial - 55 Livingston		48,850,000	2.99%
GRE Greenbrook Property LLC		26,245,300	Mack-Cali Reality Corp - 4 Beckham		38,406,100	2.35%
180 Passaic A&B Fairfield NJ LLC		21,784,900	Mack-Cali Reality Corp - 101 Eisenhower		31,189,200	1.91%
Skyline Properties LLC		21,544,600	Mack-Cali Reality Corp - 105 Eisenhower		28,952,000	1.77%
Fairfield Route 46 LLC		21,468,700	Mack-Cali Reality Corp - 103 Eisenhower		20,535,800	1.26%
Kyocera Mita America, Inc		20,578,700	Mack-Cali Reality Corp - 85 Livingston		15,811,100	0.97%
Total	\$	351,303,100		\$	423,504,400	25.91%

Note: Revaluation of real property was effective in 2020.

Source: Fairfield Township Tax Assessor.

FAIRFIELD BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 10,400,059	\$ 10,400,059	100.00%	\$ -0-
2016	10,635,425	10,635,425	100.00%	-0-
2017	10,849,931	10,849,931	100.00%	-0-
2018	11,248,357	11,248,357	100.00%	-0-
2019	11,471,925	11,471,925	100.00%	-0-
2020	11,702,634	11,702,634	100.00%	-0-
2021	11,980,976	11,980,976	100.00%	-0-
2022	12,215,082	12,215,082	100.00%	-0-
2023	12,375,846	12,375,846	100.00%	-0-
2024	14,058,541	14,058,541	100.00%	-0-

- a 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: Fairfield Township School District records including the Certificate and Report of School Taxes (A4F form)

FAIRFIELD BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Financed Purchases			
2015	\$ 720,000		\$ 720,000	0.16%	\$ 96
2016	605,000		605,000	0.13%	81
2017	400,000		400,000	0.09%	53
2018	320,000		320,000	0.07%	43
2019	240,000		240,000	0.05%	32
2020	160,000		160,000	0.03%	21
2021	80,000		80,000	0.01%	10
2022	-0-		-0-	0.00%	-0-
2023	-0-	\$ 193,891	193,891	0.03%	24
2024	-0-		-0-	0.00%	-0-

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

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

Source: Fairfield Township School District Financial Reports.

FAIRFIELD BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Net Valuation <sup>a</sup>	Per Capita <sup>b</sup>
	<u>Obligation Bonds</u>	<u>Bonded Debt Outstanding</u>		
2015	\$ 720,000	\$ 720,000	0.03%	\$ 96
2016	605,000	605,000	0.02%	81
2017	400,000	400,000	0.02%	53
2018	320,000	320,000	0.01%	43
2019	240,000	240,000	0.01%	32
2020	160,000	160,000	0.01%	21
2021	80,000	80,000	0.00%	10
2022	-0-	-0-	0.00%	-0-
2023	-0-	-0-	0.00%	-0-
2024	-0-	-0-	0.00%	-0-

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: Fairfield Township School District Financial Reports.

FAIRFIELD BOARD OF EDUCATION  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
UNAUDITED  
AS OF DECEMBER 31, 2023

<u>Governmental Unit</u>	<u>Outstanding</u>	<u>Estimated Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
West Essex Regional High School	\$ 2,480,000	25.00%	\$ 620,000
Township of Fairfield	21,801,936	100.00%	<u>21,801,936</u>
			22,421,936
Overlapping Debt Appropriated to the Municipality:			
Essex County	685,637,111	3.58%	<u>24,523,440</u>
Subtotal, Overlapping Debt			46,945,376
Township of Fairfield School District			<u>-0-</u>
Total Direct And Overlapping Debt			<u><u>\$ 46,945,376</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Essex County Board of Taxation; debt outstanding data provided by each governmental unit.

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

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

FAIRFIELD BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION,  
LAST TEN FISCAL YEARS  
UNAUDITED

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$66,531,417	\$68,152,750	\$71,389,946	\$ 73,288,525	\$ 73,974,931
Total Net Debt Applicable to Limit	720,000	605,000	400,000	320,000	240,000
Legal Debt Margin	<u>\$65,811,417</u>	<u>\$67,547,750</u>	<u>\$70,989,946</u>	<u>\$ 72,968,525</u>	<u>\$ 73,734,931</u>
Total Net Debt Applicable to the Limit Limit As a Percentage of Debt	1.08%	0.89%	0.56%	0.44%	0.32%

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt Limit	\$76,368,679	\$78,116,415	\$86,823,035	\$ 107,168,954	\$ 108,685,275
Total Net Debt Applicable to Limit	160,000	80,000	-0-	-0-	-0-
Legal Debt Margin	<u>\$76,208,679</u>	<u>\$78,036,415</u>	<u>\$86,823,035</u>	<u>\$ 107,168,954</u>	<u>\$ 108,685,275</u>
Total Net Debt Applicable to the Limit Limit As a Percentage of Debt	0.21%	0.10%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2024

	Equalized valuation basis:
2023	\$ 3,791,394,080
2022	3,548,449,259
2021	3,528,684,125
	<u>\$10,868,527,464</u>
Average Equalized Valuation of Taxable Property	\$ 3,622,842,488
Debt Limit (3% of average equalization value) <sup>a</sup>	108,685,275
Net Bonded School Debt	<u>-0-</u>
Legal Debt Margin	<u>\$ 108,685,275</u>

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 6 district; other % limits would be applicable for other districts

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,  
Department of Treasury, Division of Taxation.

FAIRFIELD BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Essex County Per Capital Personal Income <sup>c</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2015	7,495	\$ 59,395	\$ 445,165,525	5.70%
2016	7,503	60,735	455,694,705	4.30%
2017	7,502	62,659	470,067,818	4.40%
2018	7,504	63,521	476,661,584	4.20%
2019	7,502	65,927	494,584,354	3.30%
2020	7,459	70,497	525,837,123	11.00%
2021	7,818	74,310	580,955,580	6.20%
2022	7,761	75,934	589,323,774	3.50%
2023	7,941	75,934 *	602,991,894 ***	4.80%
2024	7,941 **	75,934 *	602,991,894 ***	N/A

\* - Latest Essex County per capita personal income available (2022) was used for calculation purposes.

\*\* - Latest population data available (2023) was used for calculation purposes.

\*\*\* - Latest per capita personal income available (2022) and latest population data available (2023) was used for calculation purposes.

N/A - Information Not Available for this year

Sources:

- a Population information provided by the NJ Dept of Labor and Workforce Development.
- b Personal income has been estimated based upon the municipal population and per capita personal income presented.
- c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- d Unemployment data provided by the NJ Dept of Labor and Workforce Development.



FAIRFIELD BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS, ESSEX COUNTY  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

2024			2015			Percentage of Total Employment
Employer	Employees	Total Employment	Employer	Employees	Percentage of Total Employment	
Prudential Ins. Co. of America	49,705	15.05%	St. Barnabas Health Care System	23,000	N/A	
St. Barnabus Health Care System	24,600	7.45%	Verizon	17,100	N/A	
Rutgers University-Newark Campus	23,980	7.26%	Prudential Ins. Co. of America	16,850	N/A	
Verizon	15,000	4.54%	Rutgers University - Newark Campus	15,500	N/A	
Public Service Electric & Gas	12,945	3.92%	Continental Airlines	11,000	N/A	
New Jersey Transit	11,500	3.48%	Newark Board of Education	7,050	N/A	
City of Newark	10,001	3.03%	Automatic Data Processing	5,649	N/A	
Montclair State University	7,900	2.39%	New Jersey Transit	4,000	N/A	
Newark Board of Education	7,050	2.13%	City of Newark	4,000	N/A	
Gateway Group One	6,250	1.89%	Essex County	3,500	N/A	
Automatic Data Processing	5,649	1.71%				
	<u>174,580</u>	<u>52.86%</u>		<u>107,649</u>	<u>N/A</u>	
County Labor Force	<u>330,269</u>					

Note - Principal employers are that of Essex County.

Source: Essex County Economic Development Corporation.

FAIRFIELD BOARD OF EDUCATION  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM.  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction:										
Regular	52.0	52.0	53.0	51.0	60.5	54.0	60.0	59.0	53.0	52.0
Special Education	31.0	31.0	27.0	32.0	12.0	12.0	21.0	13.0	17.0	17.0
Other Special Education	4.0	5.0	5.0	6.0	9.5	7.0	8.0	13.0	20.0	23.0
Support Services:										
Student & Instruction Related Services	5.0	5.0	5.0	5.0	7.5	10.5	8.5	12.0	15.0	14.0
General Administrative Services	2.0	2.0	2.0	2.0	4.0	3.5	3.5	8.0	3.0	3.0
School Administrative Services	5.0	5.0	5.0	5.0	4.0	4.5	4.5	4.0	4.0	4.0
Central Services	3.0	3.0	3.0	3.0	3.0	3.5	3.5	2.0	5.0	4.0
Plant Operations and Maintenance	6.5	6.5	6.5	6.5	12.0	12.0	9.0	7.0	7.0	9.0
Total	<u>108.5</u>	<u>109.5</u>	<u>106.5</u>	<u>110.5</u>	<u>112.5</u>	<u>107.0</u>	<u>118.0</u>	<u>118.0</u>	<u>124.0</u>	<u>126.0</u>

Source: Fairfield Township School District personnel records.

FAIRFIELD BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	625	\$ 11,867,726	\$ 18,988	4.20%	59	10.6	627.2	599.1	-2.76%	95.52%
2016	621	12,412,715	19,988	5.27%	60	10.8	648.4	615.5	3.37%	94.93%
2017	659	12,591,557	19,107	-4.41%	72	9.2	663.0	629.5	2.25%	94.95%
2018	681	13,014,326	19,111	0.02%	67	10.3	688.8	655.3	3.89%	95.14%
2019	670	13,586,972	20,279	6.11%	74	9.1	674.2	641.9	-2.12%	95.21%
2020	686	13,889,658	20,247	-0.16%	74	9.4	695.7	673.5	3.18%	96.81%
2021	696	14,482,300	20,808	2.77%	79	8.8	692.5	672.3	-0.45%	97.08%
2022	716	15,531,758	21,692	4.25%	72	10.1	708.3	669.5	2.28%	94.52%
2023	706	16,687,716	23,637	8.96%	70	10.1	698.2	653.7	-1.43%	93.63%
2024	720	16,491,587	22,905	-3.10%	69	10.4	734.4	692.3	5.18%	94.27%

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment.  
This Cost Per Pupil may be different from other Cost Per Pupil Calculations.

FAIRFIELD BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>District Building</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Stevenson										
Square Feet	49,000	49,000	49,000	49,000	49,000	49,000	56,625	56,625	56,625	56,625
Capacity (Students)	450	450	450	450	450	450	450	450	450	450
Enrollment	335	339	374	424	402	397	395	413	316	314
Churchill										
Square Feet	38,350	38,350	38,350	38,350	38,350	38,350	38,350	41,094	41,094	41,094
Capacity (Students)	400	400	400	400	400	400	400	400	400	400
Enrollment	290	282	285	257	268	289	301	286	390	406

Number of Schools at June 30, 2024:

Elementary = 2

Note: Enrollment is based on the annual October District count.

Source: Fairfield Township School District Facilities Office.

FAIRFIELD BOARD OF EDUCATION  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
UNAUDITED

Undistributed Expenditures:  
 Required Maintenance for School Facilities  
 11-000-261-XXX

School Facilities *	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Stevenson Elementary School	\$ 15,093	\$ 32,233	\$ 82,060	\$ 57,569	\$ 50,657	\$ 134,149	\$ 121,608	\$ 137,945	\$ 142,107	\$ 172,588
Churchill Elementary School	11,859	33,128	81,924	101,816	119,062	104,992	82,361	91,963	182,127	116,889
	<u>\$ 26,952</u>	<u>\$ 65,361</u>	<u>\$ 163,984</u>	<u>\$ 159,385</u>	<u>\$ 169,719</u>	<u>\$ 239,141</u>	<u>\$ 203,969</u>	<u>\$ 229,908</u>	<u>\$ 324,234</u>	<u>\$ 289,477</u>

(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: Fairfield Township School District records.

FAIRFIELD BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2024  
UNAUDITED

Type of Coverage	Coverage	Deductible
School Commercial Package - NJSIG		
Property - Real and Personal Property (fund limit)	\$ 350,000,000	\$ 5,000
General Liability	31,000,000	N/A
Electronic Data Processing	500,000,000	1,000
Equipment Breakdown	100,000,000	25,000
Commercial Crime - Employee Dishonesty	250,000	1,000
Auto Liability	31,000,000	N/A
Auto Physical Damage	Actual Cash Value	1,000
School Board Legal Liability - NJSIG		
Errors and Omissions	31,000,000	5,000
Worker's Compensation - NJSIG		
Employers Liability	3,000,000	N/A
Disease (each employee)	3,000,000	N/A
Disease (policy limit)	3,000,000	N/A
Public Official Bonds - Various Insurers		
Business Administrator/Board Secretary (NJSIG)	200,000	N/A
Treasurer of School Monies - (Western Surety)	200,000	N/A
Student Accident Insurance - Bollinger		
Base Limit	1,000,000	N/A
Catastrophic Limit	1,000,000	N/A
Voluntary Limit	500,000	N/A
Pollution Liability - Ironshore through NJSIG		
Each Pollution Event Limit	1,000,000	50,000
Aggregate Limit	11,000,000	N/A

Source: Fairfield Township School District records.

SINGLE AUDIT SECTION

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 Auditors' Report

The Honorable President and Members of  
the Board of Education  
Fairfield Board of Education  
County of Essex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, and each major fund of the Board of Education of the Fairfield Township School District, in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 4, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 the 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.



The Honorable President and Members of  
the Board of Education  
Fairfield Board of Education  
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### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

### 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 result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 4, 2024  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*John J. Mooney*  
\_\_\_\_\_  
John J. Mooney  
Licensed Public School Accountant #2602  
Certified Public Accountant

Report on Compliance for Each Major State Program;  
Report on Internal Control Over Compliance Required by NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members of  
the Board of Education  
Fairfield Board of Education  
County of Essex, New Jersey

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited the Fairfield Board of Education (the District's) compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its District's major state programs for the fiscal year ended June 30, 2024. The District's major state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District 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 state programs for the fiscal year ended June 30, 2024.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

The Honorable President and Members of  
the Board of Education  
Fairfield Board of Education  
Page 2

### ***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 District's federal and state programs.

### ***Auditors' 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 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 GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 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 New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the 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.

The Honorable President and Members of  
the Board of Education  
Fairfield Board of Education  
Page 3

### Report on Internal Control Over Compliance

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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 or 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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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 or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

October 4, 2024  
Mount Arlington, New Jersey

*Nisiroccia LLP*  
NISIVOCCIA LLP

*John J. Mooney*  
\_\_\_\_\_  
John J. Mooney  
Licensed Public School Accountant #2602  
Certified Public Accountant

**FAIRFIELD BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2023 (Accounts Receivable)	Due to Grantor 6/30/2023	Cash Received	Budgetary Expenditures	Cancellation of Prior Year Encumbrance /Accounts Payable	Paid to Grantor	Balance 6/30/2024		Amount Provided to Subrecipient
											(Accounts Receivable)	Unearned Revenue	
U.S. Department of Education													
Passed-through State Department of Education:													
Elementary and Secondary Education Act:													
Title I	84.010	ESEA-1465-24	7/1/23-9/30/24	\$28,973		\$ 64	\$ 28,973	\$ (28,973)		\$ 64			
Title I	84.010	ESEA-1465-22	7/1/21-9/30/22	49,093		64	28,973	(28,973)		64			
Total Title I													
Title II	84.367	ESEA-1465-24	7/1/23-9/30/24	10,894			10,894	(10,894)					
Total Title II								(10,894)					
Title IV	84.424	ESEA-1465-24	7/1/23-9/30/24	10,000		282	10,000	(10,000)		282			
Title IV	84.424	ESEA-1465-22	7/1/21-9/30/22	10,000		282	10,000	(10,000)		282			
Total Title IV													
Total Elementary and Secondary Education Act:						346	49,867	(49,867)		346			
Education Stabilization Fund:													
COVID 19 - ARP:													
ESSER III	84.425U	S425D210027	3/13/20-9/30/24	360,753					\$ 1,450		\$ 1,450		
Accelerated Learning	84.425U	S425D210027	3/13/20-9/30/24	59,641	\$ (50,141)		26,891				\$ (23,250)		
Mental Health	84.425U	S425D210027	3/13/20-9/30/24	45,000	(13,460)		13,460						
Total Education Stabilization Fund					(63,601)		40,351		1,450		(23,250)	1,450	
U.S. Department of Education													
Passed-through State Department of Education:													
Special Education Cluster:													
ID.E.A. Part B, Preschool	84.173	IDEA-1465-24	7/1/23-9/30/24	10,526			10,526	(10,526)					
ARP - ID.E.A. Part B, Preschool	84.173X	IDEA-1465-22	7/1/21-9/30/23	2,553					162			\$ 162	
Total ID.E.A. Preschool									162			162	
ID.E.A. Part B, Basic	84.027	IDEA-1465-24	7/1/23-9/30/24	158,809									
Total ID.E.A.													
Total Special Education Cluster													
Total Special Revenue/U.S. Department of Education					(63,601)	346	209,603	(219,202)	1,450	346	(73,200)	1,450	162
Total Federal Financial Awards					\$ (63,601)	\$ 346	\$ 209,603	\$ (219,202)	\$ 1,450	\$ 346	\$ (73,200)	\$ 1,450	\$ 162
													\$ -0-

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

**FAIRFIELD BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/2023	Cash Received	Budgetary Expenditures	MEMO	
							Balance 6/30/2024 GAAP (Accounts Receivable)	Budgetary (Accounts Receivable) Cumulative Total Expenditures
NJ Department of Education:								
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22 - 6/30/23	\$ 452,747	\$ (46,351)	\$ 46,351			\$ 452,747
Special Education Aid	23-495-034-5120-089	7/1/22 - 6/30/23	656,238	(64,672)	64,672			656,238
Categorical Transportation Aid	23-495-034-5120-014	7/1/22 - 6/30/23	148,937	(14,678)	14,678			148,937
Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22 - 6/30/23	3,432	(3,432)	3,432			3,432
Security Aid	23-495-034-5120-084	7/1/22 - 6/30/23	12,368	(1,219)	1,219			12,368
Extraordinary Aid	23-495-034-5120-044	7/1/22 - 6/30/23	173,884	(173,884)	173,884			173,884
Special Education Aid	24-495-034-5120-089	7/1/23 - 6/30/24	768,735		693,706	\$ (768,735)	\$	768,735
Security Aid	24-495-034-5120-084	7/1/23 - 6/30/24	34,975		31,561	(34,975)	(3,414)	34,975
Transportation Aid	24-495-034-5120-014	7/1/23 - 6/30/24	148,937		134,401	(148,937)	(14,536)	148,937
Extraordinary Aid	24-495-034-5120-044	7/1/23 - 6/30/24	12,285			(12,285)	(12,285)	12,285
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23 - 6/30/24	110,828		433,257	(110,828)	(110,828)	110,828
On-Behalf TPAF Pension Contributions	24-495-034-5094-001	7/1/23 - 6/30/24	455,652		2,281,465	(455,652)	(22,395)	455,652
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-002	7/1/23 - 6/30/24	2,281,465		2,281,465	(2,281,465)		2,281,465
On-Behalf TPAF Post Retirement Medical Benefits	24-495-034-5094-004	7/1/23 - 6/30/24	26,019		26,019	(26,019)		26,019
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23 - 6/30/24	628,013		628,013	(628,013)		628,013
		7/1/23 - 6/30/24	988		988	(988)		988
Total General Fund State Aid				(304,236)	4,533,646	(4,467,897)	(145,508)	6,888,360
School Development Authority:								
Emergent and Capital Maintenance Needs	N/A	7/1/23 - 6/30/24	30,841		30,841	(30,841)		30,841
Total School Development Authority					30,841	(30,841)		30,841
Total State Department of Education				(304,236)	4,564,487	(4,498,738)	(145,508)	6,919,201
Total State Awards Subject to Single Audit Determination				\$ (304,236)	\$4,564,487	\$ (4,498,738)	\$ (145,508)	\$ 6,919,201
Less: State Awards Not Subject to Single Audit Major Program Determination								
On-Behalf TPAF Pension System Contributions:								
On-Behalf TPAF Pension Contributions	24-495-034-5094-001	7/1/23 - 6/30/24				2,281,465		2,281,465
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-002	7/1/23 - 6/30/24				26,019		26,019
On-Behalf TPAF Post Retirement Medical Benefits	24-495-034-5094-004	7/1/23 - 6/30/24				628,013		628,013
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23 - 6/30/24				988		988
Total State Awards Subject to Single Audit Major Program Determination						2,936,485		2,936,485
						\$ (1,562,253)		\$ (1,562,253)

N/A - Not Applicable/ Available

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FAIRFIELD BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Note 1: Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Fairfield Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting. This basis of accounting is described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate

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

Note 4: Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$12,410) for the General Fund and (\$45,867) for the Special Revenue Fund. See exhibit C-3 for a reconciliation of the Budgetary Basis to the modified accrual basis of accounting for the general and special revenue funds.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

Note 4: Relationship to Basic Financial Statements (Cont'd)

Revenue from federal and state awards are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,455,487	\$ 4,455,487
Special Revenue Fund	<u>\$ 265,069</u>	<u>30,841</u>	<u>295,910</u>
Total Financial Awards	<u>\$ 265,069</u>	<u>\$ 4,486,328</u>	<u>\$ 4,751,397</u>

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 6: Other

T.P.A.F. Social Security Contributions represent the amount reimbursed by the State for the employer's share of social security contributions for T.P.A.F. members for the fiscal year ended June 30, 2024.



FAIRFIELD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

### Section I - Summary of Auditors' Results

#### Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____	Yes	_____ X _____	No
2.) Significant deficiencies identified?	_____	Yes	_____ X _____	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____ X _____	No

#### Federal Awards

The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2024 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.

#### State Awards

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____	Yes	_____ X _____	No
2.) Significant deficiencies identified?	_____	Yes	_____ X _____	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____ X _____	No

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?

_____	Yes	_____ X _____	No
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Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Special Education Aid	24-495-034-5120-089	7/1/23	6/30/24	\$ 768,735	\$ 768,735
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	34,975	34,975

Dollar threshold used to distinguish between Type A and B programs

\$ 750,000

Auditee qualified as low-risk auditee?

_____	Yes	_____ X _____	No
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FAIRFIELD BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024

Status of Prior Year Findings/Recommendations:

The District had no prior year audit findings.