

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, 2022

Annual Comprehensive  
Financial Report

of the

Fairfield Township School District  
Board of Education

Fairfield Township, New Jersey

For the Fiscal Year Ended June 30, 2022

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

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October 28, 2022

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, 2022 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 2021-2022 fiscal year with an average daily enrollment of 716 students, which is 17 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.

In April 2021, the district had an unfortunate defeated referendum which continues to be a priority for the Board in the 2022-2023 school year to maintain small class size and provide the best educational programs and state of the art facilities. The Board is also considering a ballot question. The district can no longer maintain programs and services within the two percent tax increases.

The School District attributes much of its past educational success to the community's demand for, and support of both a traditional and quality school system. Our School System will remain accountable to the residents and taxpayers who make the School District their school system choice.

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 go beyond what is expected in their professional duties as teachers, as was very evident during the almost 2-year pandemic. They maintained their connection to their class during times of remote learning. They continued to provide a well-rounded education despite the restrictions of virtual teaching, desk shields, masks, constantly changing schedules and continued concern for the health of all. 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 (NJSL) 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 NMH Math Expressions program, while grade six uses Connected Math 2. In Social Studies, K-2 use 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 NJSL 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 skill needed for the upper grades.



3. MAJOR INITIATIVES: (Cont'd) The bond referendum which was proposed in April 2020 was not voted in by the community. It has been necessary for the Board and Administrators re-evaluate the educational facilities to accommodate increased enrollment and lack of space. The configurations of schools have been changed from P-3 and 4-6 schools to P-2 and 3-6. Putting grade 3 in the upper school was determined to be better when dealing with curriculum and testing. In addition, trailers for the Fifth Grade were purchased to open space within the building for small classes and special education learning centers.
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, 2022.

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.
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.

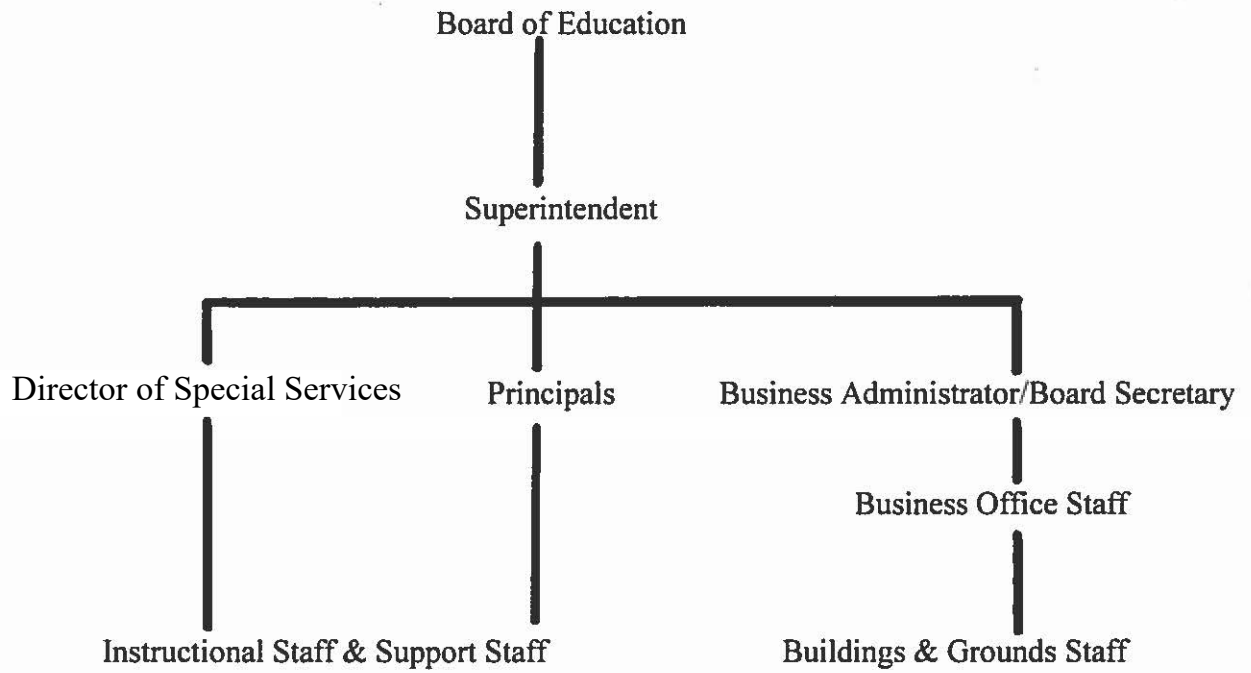


Ms. Susan Ciccotelli  
Superintend of Schools



Ms. Kathleen Marano  
Interim School Business Administrator/Board Secretary

Fairfield Board of Education  
Organizational Chart  
(Unit Control)



FAIRFIELD BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
JUNE 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mr. Pat Freda, President	2024
Mr. Anthony DePascale, Vice President	2023
Mr. Jeffrey Didyk	2022
Mr. Brian Egan	2023
Ms. Andrea Bellise Jandoli	2024

<u>Other Officials</u>	<u>Title</u>
Ms. Susan Ciccotelli	Superintendent of Schools
Ms. Lyanna Rios (To July 22, 2022)	Business Administrator/Board Secretary
Ms. Kathleen Marano (From July 18, 2022)	Interim Business Administrator/Board Secretary
Mr. Michael Halik	Treasurer of School Monies

FAIRFIELD BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS  
YEAR ENDED JUNE 30, 2022

**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**

#### ***Qualified Opinion***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Fairfield Board of Education (the “District”), in the County of Essex, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Qualified Opinion***

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 qualified audit opinion.

#### ***Matter Giving Rise to Qualified Opinion***

The District’s note disclosure on postemployment benefits other than pensions (OPEB) (Note 16) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan (“SHBP”) has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey (the “Division”), as of the date of this report. The District is in a “special funding situation” in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District’s net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

***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.

The Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios (Exhibit L-5) do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. The District is in a "special funding situation" in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District's net position.

An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***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 28, 2022 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 28, 2022  
Mount Arlington, New Jersey

*Nisivoccia 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, 2022**

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, 2022. 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**

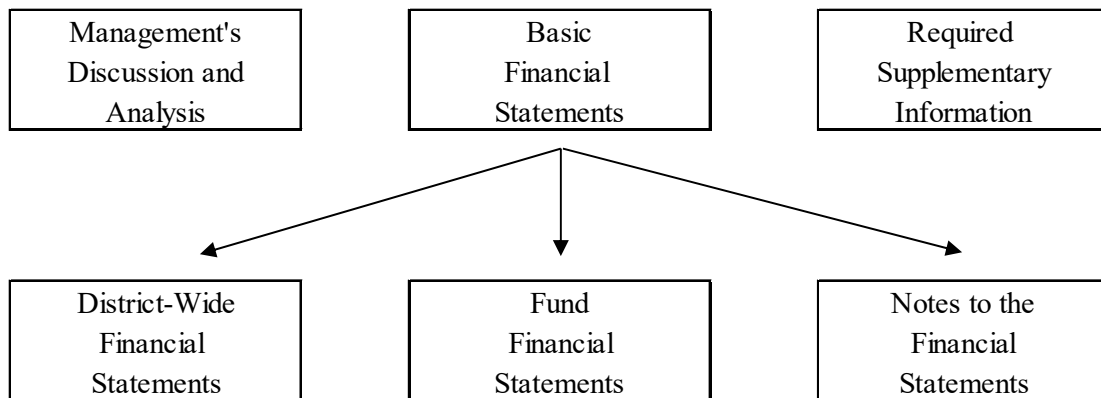


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**FAIRFIELD BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

**Figure A-2**

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

	District-Wide Statements	Fund Financial 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 and liabilities that come due during the year or soon thereafter no capital assets, lease 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, 2022**

**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 debts) 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, 2022**

**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 \$845,420 or 22.26%. Net investment in capital assets decreased \$180,289, restricted net position increased \$20,173 and unrestricted net position increased \$1,005,536.

**Figure A-3**

**Condensed Statement of Net Position**

	Governmental Activities		Total School District		Total Percentage Change
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
Current and Other Assets	\$ 4,191,702	\$ 3,482,425	\$ 4,191,702	\$ 3,482,425	
Capital Assets, Net	3,841,220	4,101,509	3,841,220	4,101,509	
Total Assets	<u>8,032,922</u>	<u>7,583,934</u>	<u>8,032,922</u>	<u>7,583,934</u>	5.92%
Deferred Outflows of Resources	<u>418,844</u>	<u>677,841</u>	<u>418,844</u>	<u>677,841</u>	-38.21%
Other Liabilities	285,970	186,080	285,970	186,080	
Long-Term Liabilities	<u>2,277,186</u>	<u>3,116,935</u>	<u>2,277,186</u>	<u>3,116,935</u>	
Total Liabilities	<u>2,563,156</u>	<u>3,303,015</u>	<u>2,563,156</u>	<u>3,303,015</u>	-22.40%
Deferred Inflows of Resources	<u>1,245,665</u>	<u>1,161,235</u>	<u>1,245,665</u>	<u>1,161,235</u>	7.27%
Net Position:					
Net Investment in Capital					
Assets	3,841,220	4,021,509	3,841,220	4,021,509	
Restricted	3,010,597	2,990,424	3,010,597	2,990,424	
Unrestricted / (Deficit)	<u>(2,208,872)</u>	<u>(3,214,408)</u>	<u>(2,208,872)</u>	<u>(3,214,408)</u>	
Total Net Position	<u>\$ 4,642,945</u>	<u>\$ 3,797,525</u>	<u>\$ 4,642,945</u>	<u>\$ 3,797,525</u>	22.26%

**FAIRFIELD BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

*Changes in net position.* The District's net position was \$4,642,945 on June 30, 2022, \$845,419 or 22.26% more than it was the year before. (See Figure A-3). The decrease in the net pension liability and the reduction of District long-term liabilities associated with 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
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
Revenue:					
Program Revenue:					
Charges for Services	\$ 155,702	\$ 133,164	\$ 155,702	\$ 133,164	
Operating Grants and Contributions	3,846,136	4,356,106	3,846,136	4,356,106	
General Revenue:					
Property Taxes	12,215,082	11,980,976	12,215,082	11,980,976	
Other	158,340	331,923	158,340	331,923	
Total Revenue	<u>16,375,260</u>	<u>16,802,169</u>	<u>16,375,260</u>	<u>16,802,169</u>	-2.54%
Expenses:					
Instruction	8,447,554	10,442,987	8,447,554	10,442,987	
Pupil & Instruction Services	2,623,624	1,947,863	2,623,624	1,947,863	
Administrative and Business	2,055,045	1,714,062	2,055,045	1,714,062	
Maintenance & Operations	1,645,962	1,058,299	1,645,962	1,058,299	
Transportation	744,218	723,186	744,218	723,186	
Other	13,438	17,239	13,438	17,239	
Total Expenses	<u>15,529,841</u>	<u>15,903,636</u>	<u>15,529,841</u>	<u>15,903,636</u>	-2.35%
Change in Net Position	<u>\$ 845,419</u>	<u>\$ 898,533</u>	<u>\$ 845,419</u>	<u>\$ 898,533</u>	-5.91%

**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, 2022**

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		Net	
	Cost of Services		Cost of Services	
	2021/2022	2020/2021	2021/2022	2020/2021
Instruction	\$ 8,447,554	\$ 10,442,987	\$ 5,695,283	\$ 6,386,417
Pupil & Instruction Services	2,623,624	1,947,863	2,106,915	1,852,438
Administrative and Business	2,055,045	1,714,062	1,655,174	1,560,291
Maintenance & Operations	1,645,962	1,058,299	1,467,522	1,024,170
Transportation	744,218	723,186	589,671	573,811
Other	13,438	17,239	13,438	17,239
<b>Total</b>	<b>\$ 15,529,841</b>	<b>\$ 15,903,636</b>	<b>\$ 11,528,003</b>	<b>\$ 11,414,366</b>

**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 2021/2022 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, 2022**

**Capital Assets**

**Figure A-6  
Capital Assets (Net of Depreciation)**

	Governmental Activities		Total School District		Total Percentage Change
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
Land	\$ 1,029,555	\$ 1,029,555	\$ 1,029,555	\$ 1,029,555	0.00%
Construction in Progress	30,826		30,826		
Site Improvements	8,199	9,408	8,199	9,408	-12.85%
Buildings & Building Improvements	2,546,968	2,722,482	2,546,968	2,722,482	-6.45%
Machinery and Equipment	225,672	340,064	225,672	340,064	-33.64%
<b>Total Capital Assets, Net</b>	<b>\$ 3,841,220</b>	<b>\$ 4,101,509</b>	<b>\$ 3,841,220</b>	<b>\$ 4,101,509</b>	<b>-6.35%</b>

Depreciation expense for Governmental Activities totaled \$291,115 in 2021/2022.

**Long-Term Liabilities**

At year-end, the District had \$-0- in general obligation bonds, \$1,800,145 of net pension liability and \$477,041 in other long-term liabilities outstanding – a decrease of \$839,749 from last year – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 7 to the basic financial statements.)

**Figure A-7  
Outstanding Long-Term Liabilities**

	Total School District		Percentage Change
	2021/2022	2020/2021	2021/2022
General Obligation Bonds and Notes (Financed with Property Taxes)		\$ 80,000	
Net Pension Liability	\$ 1,800,145	2,544,606	
Other Long Term Liabilities	477,041	492,329	
<b>Total</b>	<b>\$2,277,186</b>	<b>\$3,116,935</b>	<b>-26.94%</b>

**FAIRFIELD BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

**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 examples may have an impact and affect the financial operation in the future:

- The slow economic recovery in our state continues to generate concern in the educational community for public school funding.
- A major concern is the continued reduction of State Aid and the increased 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, 2022

	Governmental Activities
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 1,605,993
Receivables:	
Other Governments	466,953
Restricted Cash and Cash Equivalents	2,118,756
Capital Assets:	
Sites (Land) and Construction in Progress	1,060,381
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	2,780,839
Total Assets	8,032,922
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred Outflows Related to Pensions	418,844
Total Deferred Outflows of Resources	418,844
<b>LIABILITIES:</b>	
Accounts Payable	208,719
Unearned Revenue	77,251
Non-Current Liabilities:	
Due Beyond One Year	2,277,186
Total Liabilities	2,563,156
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred Inflows Related to Pensions	1,245,665
Total Deferred Inflows of Resources	1,245,665
<b>NET POSITION:</b>	
Net Investment in Capital Assets	3,841,220
Restricted for:	
Student Activities	45,501
Capital Projects	1,923,255
Maintenance Reserve	150,000
Excess Surplus	891,837
Debt Service	4
Unrestricted/(Deficit)	(2,208,872)
Total Net Position	\$ 4,642,945

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, 2022

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 5,571,387	\$ 128,908	\$ 854,030		\$ (4,588,449)	\$ (4,588,449)
Special Education	1,938,135		1,454,759		(483,376)	(483,376)
Other Special Instruction	922,254		308,553		(613,701)	(613,701)
Other Instruction	15,778		6,021		(9,757)	(9,757)
Support Services:						
Student & Instruction Related Services	2,614,906	26,794	489,915		(2,098,197)	(2,098,197)
General Administrative Services	802,803		107,721		(695,082)	(695,082)
School Administrative Services	731,015		202,762		(528,253)	(528,253)
Central Services	520,382		89,388		(430,994)	(430,994)
Plant Operations and Maintenance	1,645,962		178,440		(1,467,522)	(1,467,522)
Pupil Transportation	744,218		154,547		(589,671)	(589,671)
Interest on Long-Term Debt	13,438				(13,438)	(13,438)
Total Governmental Activities	15,529,841	155,702	3,846,136	\$ -0-	(11,528,003)	(11,528,003)

FAIRFIELD BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Total Primary Government	\$ 15,529,841	\$ 155,702	\$ 3,846,136	\$ (11,528,003)
			\$ -0-	\$ (11,528,003)
General Revenue:				
Taxes:				
Property Taxes, Levied for General Purposes, Net				12,133,182
Taxes Levied for Debt Service				81,900
Miscellaneous Income				158,340
Total General Revenue				12,373,422
Change in Net Position				845,419
Net Position - Beginning				3,797,525
Net Position - Ending				\$ 4,642,944

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, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 1,136,815		\$ 469,174	\$ 4	\$ 1,605,993
Receivables From State Government	50,293				50,293
Receivables From Federal Governments		\$ 416,660			416,660
Interfund Receivable	404,509				404,509
Restricted Cash and Cash Equivalents	2,073,255	45,501			2,118,756
<b>Total Assets</b>	<b>\$ 3,664,872</b>	<b>\$ 462,161</b>	<b>\$ 469,174</b>	<b>\$ 4</b>	<b>\$ 4,596,211</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 18,719				\$ 18,719
Interfunds Payable		\$ 404,509			404,509
Unearned Revenue	65,100	12,151			77,251
<b>Total Liabilities</b>	<b>83,819</b>	<b>416,660</b>			<b>500,479</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve Account	1,923,255				1,923,255
Maintenance Reserve Account	150,000				150,000
Excess Surplus - 2023-2024	394,735				394,735
Excess Surplus - 2022-2023	497,102				497,102
Student Activities		45,501			45,501
Debt Service Fund				\$ 4	4
Committed			\$ 469,174		469,174
<b>Assigned:</b>					
Year-End Encumbrances	158,196				158,196
Unassigned	457,765				457,765
<b>Total Fund Balances</b>	<b>3,581,053</b>	<b>45,501</b>	<b>469,174</b>	<b>4</b>	<b>4,095,732</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,664,872</b>	<b>\$ 462,161</b>	<b>\$ 469,174</b>	<b>\$ 4</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.

3,841,220

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

228,844

Deferred Inflows

(1,245,665)

Long-term liabilities, including bonds payable, net pension liability and other long-term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(2,277,186)

Net Position of Governmental Activities

\$ 4,642,945

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, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 12,133,182			\$ 81,900	\$ 12,215,082
Tuition	128,908				128,908
Rents and Royalties	9,500				9,500
Miscellaneous	148,840	\$ 33,060			181,900
Total - Local Sources	12,420,430	33,060		81,900	12,535,390
State Sources	3,912,215				3,912,215
Federal Sources		653,193			653,193
Total Revenues	16,332,645	686,253		81,900	17,100,798
EXPENDITURES:					
Current:					
Regular Instruction	3,792,445	402,761			4,195,206
Special Education Instruction	1,221,979	256,698			1,478,677
Other Special Instruction	725,370				725,370
Support Services and Undistributed Costs:					
Tuition	8,718				8,718
Student & Instruction Related Services	1,270,412	15,771			1,286,183
General Administrative Services	505,408				505,408
School Administrative Services	459,028				459,028
Central Services	292,448				292,448
Administrative Information Technology					
Plant Operations and Maintenance	1,145,463				1,145,463
Pupil Transportation	718,177				718,177
Unallocated Benefits	5,474,286				5,474,286
Capital Outlay	51,853		\$ 30,826		82,679
Debt Service:					
Principal				80,000	80,000
Interest and Other Charges				1,900	1,900
Total Expenditures	15,665,587	675,230	30,826	81,900	16,453,543
Excess/(Deficiency) of Revenue over/(under) Expenditures	667,058	11,023	(30,826)		647,255
OTHER FINANCING SOURCES/(USES):					
Transfers to Cover Deficit (Enterprise Fund)	(8,185)				(8,185)
Capital Reserve - Transfer to Capital Projects	(500,000)		500,000		
Total Other Financing Sources/(Uses)	(508,185)		500,000		(8,185)
Net Change in Fund Balances	158,873	11,023	469,174		639,070
Fund Balance - July 1	3,422,180	34,478		4	3,456,662
Fund Balance - June 30	\$ 3,581,053	\$ 45,501	\$ 469,174	\$ 4	\$ 4,095,732

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

FAIRFIELD BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 639,070

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.

	Depreciation Expense	\$ (291,115)	
	Capital Outlays	30,826	(260,289)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

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	744,461	
Change in Deferred Outflows	(288,997)	
Change in Deferred Inflows	(84,430)	

Repayment of serial bonds are 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.

Change in Net Position of Governmental Activities (Exhibit A-2)

	80,000	
	\$ 845,420	

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022  
(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, 2022  
(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 (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 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, 2022  
(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, 2022 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	\$ 16,346,649	\$ 762,084
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.		(75,831)
Prior Year State Aid Payments Recognized for GAAP Statements not Recognized for Budgetary Purposes	49,181	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(63,185)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 16,332,645	\$ 686,253

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 15,665,587	\$ 751,061
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.		(75,831)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 15,665,587	\$ 675,230

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, 2022  
(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, 2022  
(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. 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.

N. 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, 2022.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

O. 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.

P. 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.

Q. 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.

R. Fund Balance Appropriated:

General Fund: Of the \$3,581,053 General Fund fund balance at June 30, 2022, \$1,923,255 is restricted in the capital reserve account; \$150,000 is restricted in the maintenance reserve account; \$497,102 is restricted as prior year excess surplus and included as anticipated revenue for the year ending June 30, 2023; \$394,735 is restricted as current year excess surplus and will be included as anticipated revenue for the year ending June 30, 2024; \$158,196 is assigned for year end encumbrances; and \$457,765 is unassigned which is \$63,185 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, 2023.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2022 of \$45,501 is restricted for student activities.

Capital Projects Fund: The Capital Projects Fund fund balance at June 30, 2022 of \$469,174 is committed for capital projects.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2022 of \$4 is restricted for future year's expenditures.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

R. 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 \$63,185 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.

S. Deficit Net Position:

The District has a \$2,208,872 deficit in its governmental activities unrestricted net position at June 30, 2022 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.



FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

T. 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, 2022.

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, 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.

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.

U. 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, excess surplus, student activities and the debt service fund.

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 committed resources in the Capital Projects Fund at June 30, 2022.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

U. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

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 in the General Fund at June 30, 2022.

V. 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.

W. 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.

X. 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, 2022  
(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 following pages.

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, 2022  
(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

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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, 2022, 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	\$ 1,605,993	\$ 2,118,756	\$ 3,724,749
	\$ 1,605,993	\$ 2,118,756	\$ 3,724,749

The carrying amount of the Board's cash and cash equivalents at June 30, 2022, was \$3,724,749 and the bank balance was \$4,033,717. The District did not hold any investments during the fiscal year ended June 30, 2022.

NOTE 4. 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.

FAIRFIELD BOARD OF EDUCATION  
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NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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

Balance at June 30, 2021	\$ 1,923,255
Increased by:	
Transfer by Board Resolution	500,000
Decreased by:	
Transfer to Capital Projects	(500,000)
Balance at June 30, 2022	\$ 1,923,255

The June 30, 2022 LRFP balance of local support costs of uncompleted capital projects exceeds the balance in the capital reserve account at June 30, 2022. The withdrawal from the Capital Reserve Account was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2022, the District had no transfers to Capital Outlay line items.

NOTE 6. CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 124,605
Special Education	40,149
Other Instruction	23,833
General Administrative Services	16,606
School Administrative Services	15,082
Central Services	9,609
Administrative Information Technology	967
Plant Operations and Maintenance	36,668
Pupil Transportation	23,596
Total Depreciation Expense	\$ 291,115

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NOTE 6. CAPITAL ASSETS (Cont'd)

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	(Restated) Beginning Balance	Additions	Deletions	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>1,029,555</u>	<u>30,826</u>		<u>1,060,381</u>
Capital Assets Being Depreciated				
Site Improvements	192,780			192,780
Buildings and Building Improvements	8,111,670			8,111,670
Machinery and Equipment	2,881,334			2,881,334
Total Capital Assets Being Depreciated	<u>11,185,784</u>			<u>11,185,784</u>
Governmental Activities Capital Assets	<u>12,215,339</u>	<u>30,826</u>		<u>12,246,165</u>
Less Accumulated Depreciation for:				
Site Improvements	(183,372)	(1,209)		(184,581)
Buildings and Building Improvements	(5,389,188)	(175,514)		(5,564,702)
Machinery and Equipment	(2,541,270)	(114,392)		(2,655,662)
Total Accumulated Depreciation	<u>(8,113,830)</u>	<u>(291,115)</u>		<u>(8,404,945)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 4,101,509</u>	<u>\$ (260,289)</u>	<u>\$ -0-</u>	<u>\$ 3,841,220</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2021	Retired	Balance 6/30/2022
Compensated Absences Payable	\$ 492,330	\$ 15,289	\$ 477,041
Serial Bonds Payable	80,000	80,000	-0-
Net Pension Liability	2,544,606	744,461	1,800,145
	<u>\$ 3,116,936</u>	<u>\$ 839,750</u>	<u>\$ 2,277,186</u>

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NOTE 7. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. The Debt Service Fund will be used to liquidate the serial bonds. The last payment on the 2012 school bonds was made December 1, 2021.

B. Bonds Authorized But Not Issued:

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

C. Financed Purchase Payable:

The District had no Financed Purchases payable at June 30, 2022.0

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 liability balance of compensated absences is \$477,041. 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, 2022 is \$-0- and the long term portion is \$1,800,145. See Note 8 for further information on the PERS.

NOTE 8. 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).



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NOTE 8. PENSION PLANS (Cont'd)

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:

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

Service retirement benefits of 1/55<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.

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(Continued)

NOTE 8. 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. 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 \$177,958 for fiscal year 2022.

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

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

At June 30, 2022, the District reported a liability of \$1,800,145 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.0152%, which was an decrease of 0.0004% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized an actual pension benefit of \$177,958. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 8. 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)

	<u>Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2017	5.48		\$ (76,074)
	2018	5.63		(142,624)
	2019	5.21		(125,819)
	2020	5.16		(296,347)
	2021	5.13	\$ 9,376	
			<u>9,376</u>	<u>(640,864)</u>
Difference between Expected and Actual Experience	2017	5.48	2,262	
	2018	5.63		(5,431)
	2019	5.21	9,619	
	2020	5.16	16,511	
	2021	5.13		(7,456)
			<u>28,392</u>	<u>(12,887)</u>
Changes in Proportion	2017	5.48	15,043	
	2018	5.63		(45,996)
	2019	5.21	175,281	
	2020	5.16	752	
	2021	5.13		(71,710)
			<u>191,076</u>	<u>(117,706)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		(14,063)
	2019	5.00		4,537
	2020	5.00		102,255
	2021	5.00		(566,937)
				<u>(474,208)</u>
District Contribution Subsequent to the Measurement Date	2021	1.00	190,000	
			<u>\$ 418,844</u>	<u>\$ (1,245,665)</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:

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NOTE 8. 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
2022	\$ (424,756)
2023	(303,275)
2024	(206,782)
2025	(155,438)
2026	61
	\$ (1,090,190)

Actuarial Assumptions

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

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

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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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NOTE 8. 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, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected\_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	50.00%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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.

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NOTE 8. 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, 2021 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, 2021		
	At 1% Decrease (6.00%)	Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 2,452,789	\$ 1,800,145	\$ 1,248,126

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

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NOTE 8. 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 2021, the State's pension contribution was less 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 2022, the State of New Jersey contributed \$2,227,132 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$566,180.

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

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 (Continued)

NOTE 8. 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, 2022, the State's proportionate share of the net pension liability associated with the District was \$24,061,583. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.0500%, which was an increase of 0.0008% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>24,061,583</u>
Total	\$	<u><u>24,061,583</u></u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$566,180 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 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  
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NOTE 8. 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)

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	8.50	\$ 153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$ 5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		12,903,483,645
			<u>5,289,559,561</u>	<u>24,224,281,713</u>
Difference Between Expected and Actual Experience	2014	8.50		1,464,605
	2015	8.30	57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
			<u>941,265,828</u>	<u>142,774,569</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		96,030,373
	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2021	5.00		3,554,633,811
				<u>2,854,036,178</u>
			<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</u>

FAIRFIELD BOARD OF EDUCATION  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 8. 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
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	\$ (20,990,267,071)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

NOTE 8. 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, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected 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, 2021 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be 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, 2022  
(Continued)

NOTE 8. 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, 2021 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, 2021		
	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	\$ 28,468,877	\$ 24,061,583	\$ 24,363,729

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 \$17,600 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$17,960 for the fiscal year ended June 30, 2022.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

NOTE 9. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, 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 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. 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, 2022 was unavailable. Below is selected financial information for the group as of June 30, 2021 is as follows:

Total Assets	<u>\$ 409,725,069</u>
Net Position	<u>\$ 171,872,738</u>
Total Revenue	<u>\$ 136,646,172</u>
Total Expenses	<u>\$ 104,006,539</u>
Change in Net Position	<u>\$ 32,639,633</u>
Members Dividends	<u>\$ 6,346,945</u>

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 10. 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 11. 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 12. 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, 2022  
(Continued)

NOTE 13. INTERFUND RECEIVABLES, PAYABLES

The District had the following interfund payables or receivables on their various balance sheets as of June 30, 2022:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 404,509	
Special Revenue Fund		\$ 404,509
	\$ 404,509	\$ 404,509

The general fund receivable is to cover the cash deficit for grants receivable in the special revenue fund.

NOTE 14. ACCOUNTS PAYABLE

At year end June 30, 2022, the Board has the following accounts payable in the governmental funds:

	Governmental Funds	District Contribution	Total
	General Fund	Subsequent to the Measurement Date	Governmental Activities
Vendors	\$ 18,719		\$ 18,719
State of New Jersey		\$ 190,000	190,000
	\$ 18,719	\$ 190,000	\$ 208,719

NOTE 15. 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, 2022, \$158,196 is assigned for year-end encumbrances in the General 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.

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 158,196	\$ 75,831	\$ 234,027

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 15. 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 16. 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 Education 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 GASB Codification Section P50. 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, 2022  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Employees Covered by Benefit Terms

At June 30, 2019, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	149,304
Active Plan Members	216,804
Total	366,108

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

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.

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 4.45%	2.00 - 6.00%
	based on	based on
	service years	service years
Thereafter	1.55 - 4.45%	3.00 - 7.00%
	based on	based on
	service years	service years

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

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Mortality Rates

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2020 was 2.21%. 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, 2022  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

	Total OPEB Liability
Balance at June 30, 2019	\$ 19,049,460
Changes for Year:	
Service Cost	850,789
Interest Cost	687,804
Changes in Assumptions	5,429,066
Differences between Expected and Actual Experience	4,205,950
Member Contributions	15,683
Gross Benefit Payments	(517,424)
Net Changes	10,671,868
Balance at June 30, 2020	\$ 29,721,328

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, 2020, 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:

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
Total OPEB Liability Attributable to the District	\$ 35,830,595	\$ 29,721,328	\$ 24,944,470

FAIRFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 16. 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, 2020, 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, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 23,992,058	\$ 29,721,328	\$ 36,543,615

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

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$1,463,103 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, 2020 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, 2022  
(Continued)

NOTE 16. 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		\$ 1,803,740
	2018	9.51		1,587,632
	2019	9.29	\$ 213,996	
	2020	9.24	4,841,504	
			<u>5,055,500</u>	<u>3,391,372</u>
Differences Between Expected and Actual Experience	2018	9.51		1,500,806
	2019	9.29		2,518,744
	2020	9.24	4,512,472	
			<u>4,512,472</u>	<u>4,019,550</u>
Changes in Proportion	N/A	N/A	708,536	1,361,475
			<u>\$ 10,276,508</u>	<u>\$ 8,772,397</u>

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

Fiscal Year Ending June 30,	Total
2021	\$ (1,116,151)
2022	(1,116,151)
2023	(1,116,151)
2024	(1,116,151)
2025	(1,116,151)
Thereafter	<u>(2,732,321)</u>
	<u>\$ (8,313,076)</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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.0149100000%	0.0143091135%	0.0136906749%	0.0144787332%	0.0137743200%	0.0155985558%	0.0156040101%	0.1519558830%
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
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
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%
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%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 122,991	\$ 135,635	\$ 136,391	\$ 134,130	\$ 137,010	\$ 152,054	\$ 170,700	\$ 177,958
Contributions in relation to the contractually required contribution	(122,991)	(135,635)	(136,391)	(134,130)	(137,010)	(152,054)	(170,700)	(177,958)
Contribution deficiency/(excess)	\$ -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
Contributions as a percentage of covered employee payroll	12.34%	13.78%	14.32%	12.15%	12.24%	13.65%	14.92%	16.39%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.



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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
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%
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
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
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%
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%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
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
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)
Contribution deficiency/(excess)	\$ 1,089,859	\$ 1,534,333	\$ 2,323,583	\$ 1,453,619	\$ 877,103	\$ 661,831	\$ 623,811	\$ (1,660,952)
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
Contributions as a percentage of covered employee payroll	27.67%	38.88%	55.15%	40.77%	32.67%	29.62%	33.54%	8.98%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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 FOUR FISCAL YEARS

	Fiscal Year Ending June 30,		
	2017	2018	2019
			2020
Total OPEB Liability			
Service Cost	\$ 963,147	\$ 798,815	\$ 774,152
Interest Cost	758,803	873,673	844,258
Differences between Expected and Actual Experience		(1,231,137)	(3,607,869)
Changes in Assumptions	(3,236,996)	(2,446,843)	284,029
Member Contributions	20,365	19,705	17,334
Gross Benefit Payments	(553,071)	(570,154)	(584,762)
Net Change in Total OPEB Liability	(2,047,752)	(2,555,941)	(2,272,858)
Total OPEB Liability - Beginning	25,926,011	23,878,259	21,322,318
Total OPEB Liability - Ending	<u>\$ 23,878,259</u>	<u>\$ 21,322,318</u>	<u>\$ 19,049,460</u>
State's Covered Employee Payroll *	\$ 5,916,655	\$ 6,086,757	\$ 6,462,491
District's Total OPEB Liability as a Percentage of Covered Employee Payroll	404%	350%	295%
			440%

\* - Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019 and 2020 are based on the payroll on the June 30, 2016, 2017, 2018 and 2019 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, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

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, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%, a change of -1.29%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

FAIRFIELD BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

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-2019. 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-2019. 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-2019.

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

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

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

FAIRFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 12,133,182		\$ 12,133,182	\$ 12,133,182	
Tuition From Individuals	70,000		70,000	80,890	\$ 10,890
Tuition From Other LEAs Within the State				48,018	48,018
Rents and Royalties	7,000		7,000	9,500	2,500
Unrestricted Miscellaneous Revenues				148,840	148,840
Other Restricted Miscellaneous Revenues	5,000		5,000		(5,000)
Total Revenues from Local Sources	<u>12,215,182</u>		<u>12,215,182</u>	<u>12,420,430</u>	<u>205,248</u>
Revenues from State Sources:					
Categorical Transportation Aid	148,937		148,937	148,937	
Extraordinary Aid	40,000		40,000	24,134	(15,866)
Categorical Special Education Aid	493,392		493,392	493,392	
Categorical Security Aid	12,368		12,368	12,368	
Other State Aids				4,060	4,060
TPAF Post Retirement Contributions (Non-Budgeted)				527,689	527,689
TPAF Pension Contributions (Non-Budgeted)				2,227,132	2,227,132
TPAF Non-Contributory Insurance (Non-Budgeted)				31,422	31,422
TPAF Long-Term Disability Insurance (Non-Budgeted)				998	998
Reimbursed TPAF Social Security Contributions				456,087	456,087
Total Revenues from State Sources	<u>694,697</u>		<u>694,697</u>	<u>3,926,219</u>	<u>3,231,522</u>
<b>TOTAL REVENUE</b>	<u>12,909,879</u>		<u>12,909,879</u>	<u>16,346,649</u>	<u>3,436,770</u>

FAIRFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 54,047	\$ 37,600	\$ 91,647	\$ 89,523	\$ 2,124
Kindergarten - Salaries of Teachers	526,244	(29,200)	497,044	491,318	5,726
Grades 1-5 - Salaries of Teachers	2,967,906	(321,212)	2,646,694	2,574,663	72,031
Grades 6-8 - Salaries of Teachers	330,936	74,266	405,202	396,869	8,333
Regular Programs - Home Instruction:					
Salaries of Teachers	20,000		20,000		20,000
Purchased Professional-Educational Services	20,000	(12,000)	8,000		8,000
Regular Programs - Undistributed Instruction:					
Other Purchased Services (400-500 series)	88,500	1,747	90,247	80,796	9,451
General Supplies	129,000	53,191	182,191	156,554	25,637
Textbooks	4,500	(1,777)	2,723	2,722	1
Other Objects	500		500		500
<b>Total Regular Programs - Instruction</b>	<b>4,141,633</b>	<b>(197,385)</b>	<b>3,944,248</b>	<b>3,792,445</b>	<b>151,803</b>
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	114,518	34,500	149,018	143,586	5,432
General Supplies	300		300		300
Total Multiple Disabilities	114,818	34,500	149,318	143,586	5,732
Resource Room/Resource Center:					
Salaries of Teachers	930,220	(129,600)	800,620	799,733	887
General Supplies	1,500	(1,200)	300	289	11
<b>Total Resource Room/Resource Center</b>	<b>931,720</b>	<b>(130,800)</b>	<b>800,920</b>	<b>800,022</b>	<b>898</b>



FAIRFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 162,138	\$ 108,120	\$ 270,258	\$ 261,300	\$ 8,958
Total Preschool Disabilities - Part-Time	162,138	108,120	270,258	261,300	8,958
Home Instruction:					
Salaries of Teachers		38,880	38,880	17,071	21,809
Total Home Instruction		38,880	38,880	17,071	21,809
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	1,208,676	50,700	1,259,376	1,221,979	37,397
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	337,171	98,440	435,611	435,225	386
Other Purchased Services (400-500 series)	2,500	(140)	2,360		2,360
General Supplies	1,300		1,300	385	915
Textbooks	500		500		500
Other Objects	1,000		1,000		1,000
Total Basic Skills/Remedial - Instruction	342,471	98,300	440,771	435,610	5,161
Bilingual Education - Instruction:					
Salaries of Teachers	89,702		89,702	89,702	
General Supplies	600		600	360	240
Total Bilingual Education - Instruction	90,302		90,302	90,062	240
School-Spon. Coccurrenular & Extraccurrnular Actvts. - Inst.:					
Salaries	30,500		30,500	17,148	13,352
Supplies and Materials	5,500	(2,500)	3,000		3,000
Other Objects	5,150		5,150		5,150
Total School-Spon. Coccurrenular & Extraccurrnular Actvts. - Inst.	41,150	(2,500)	38,650	17,148	21,502

FAIRFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Summer School - Instruction:					
Salaries of Teachers	\$ 2,500	\$	2,500		\$ 2,500
Total Summer School - Instruction	2,500		2,500		2,500
Total Summer School			2,500		2,500
Other Supplemental/At Risk Programs - Instruction:					
Salaries of Reading Specialists	\$ 168,100	22	168,122	\$ 168,100	22
Other Purchased Services (400-500 series)	8,400	(1,030)	7,370	7,348	22
General Supplies	6,200	1,008	7,208	7,102	106
Total Other Suppl/At-risk Prog - Instruction	182,700		182,700	182,550	150
Total Other Supplemental/At-risk Programs	182,700		182,700	182,550	150
<b>TOTAL INSTRUCTION</b>	<b>6,006,932</b>	<b>(48,385)</b>	<b>5,958,547</b>	<b>5,739,794</b>	<b>218,753</b>
Undistributed Expenditures - Instruction:					
Tuition to Priv. Sch. for the Handicap. W/I State	285,000	(96,550)	188,450	8,718	179,732
Total Undistributed Expenditures - Instruction	285,000	(96,550)	188,450	8,718	179,732
Undistributed Expenditures - Health Services:					
Salaries	215,624		215,624	215,624	
Purchased Professional and Technical Services	5,000	(200)	4,800	125	4,675
Other Purchased Services (400-500 series)	1,000	200	1,200	273	927
Supplies and Materials	3,000		3,000	2,988	12
Other Objects	300		300	150	150
Total Undist. Expenditures - Health Services	224,924		224,924	219,160	5,764

FAIRFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	\$ 253,809	\$ 32,540	\$ 286,349	\$ 226,171	\$ 60,178
Purchased Professional - Educational Services	64,000	(61,500)	2,500	2,200	300
Supplies and Materials	3,000		3,000	441	2,559
Other Objects	80		80		80
Total Undist. Expend. - Speech, OT, PT, Related Svcs	<u>320,889</u>	<u>(28,960)</u>	<u>291,929</u>	<u>228,812</u>	<u>63,117</u>
Undist. Expend.-Other Supp. Serv. Students-Extra. Serv.:					
Salaries	274,448		274,448	148,433	126,015
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	<u>274,448</u>		<u>274,448</u>	<u>148,433</u>	<u>126,015</u>
Undist. Expend.-Guidance:					
Salaries of Other Professional Staff	146,729	(25,280)	121,449	117,203	4,246
Supplies and Materials	500		500	241	259
Total Undist. Expend. - Guidance	<u>147,229</u>	<u>(25,280)</u>	<u>121,949</u>	<u>117,444</u>	<u>4,505</u>
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	169,900	280	170,180	170,180	
Salaries of Secretarial and Clerical Assistants	50,430		50,430	50,430	
Purchased Professional - Educational Services	1,500		1,500	1,000	500
Other Purchased Prof. and Tech. Services	9,300	2,316	11,616	11,380	236
Other Purchased Services (400-500 series)	5,000		5,000	3,957	1,043
Supplies and Materials	2,700		2,700	1,203	1,497
Other Objects	2,000		2,000	1,240	760
Total Undist. Expend. - Child Study Team	<u>240,830</u>	<u>2,596</u>	<u>243,426</u>	<u>239,390</u>	<u>4,036</u>
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	77,238		77,238	77,238	
Total Undist. Expend.-Improv. of Inst. Serv.	<u>77,238</u>		<u>77,238</u>	<u>77,238</u>	

FAIRFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	\$ 74,957		\$ 74,957	\$ 74,957	
Salaries of Technology Coordinators	147,001		147,001	147,001	
Other Purchased Services (400-500 series)	18,000		18,000	13,052	\$ 4,948
Supplies and Materials	2,000		2,000	1,911	89
Total Undist Expend-Edu. Media Serv./Sch. Library	<u>241,958</u>		<u>241,958</u>	<u>236,921</u>	<u>5,037</u>
Undist.Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	4,000		4,000	450	3,550
Other Purchased Services (400-500 series)	7,000		7,000	2,564	4,436
Total Undist.Expend.-Instructional Staff Training Services	<u>11,000</u>		<u>11,000</u>	<u>3,014</u>	<u>7,986</u>
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	306,802		306,802	306,802	
Legal Services	25,000	\$ 40,424	65,424	54,201	11,223
Audit Fees	27,100	440	27,540	27,540	
Architectural/Engineering Services		2,000	2,000		2,000
Other Purchased Professional Services	5,400		5,400	5,391	9
Purchased Technical Services	4,000		4,000	3,443	557
Communications / Telephone	38,000	(6,963)	31,037	25,967	5,070
BOE Other Purchased Services	5,500	(5,437)	63	62	1
Other Purch. Serv. (400-500 series other than 530 & 585)	52,340	19,295	71,635	68,316	3,319
General Supplies	5,407		5,407	4,021	1,386
BOE In-house training/ Meeting Supplies	250		250		250
Judgments Against The School District	9,500	(9,500)			
Miscellaneous Expenditures	4,000	110	4,110	4,110	
BOE Membership Dues and Fees	6,000	(440)	5,560	5,555	5
Total Undist. Expend.-Support Serv.-Gen. Admin.	<u>489,299</u>	<u>39,929</u>	<u>529,228</u>	<u>505,408</u>	<u>23,820</u>

FAIRFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 218,742	\$	\$ 218,742	\$ 218,742	
Salaries of Other Professional Staff	117,334		117,334	117,334	
Salaries of Secretarial and Clerical Assistants	98,926		98,926	93,953	\$ 4,973
Purchased Professional and Technical Services	15,200	\$ 250	15,450	15,443	7
Other Purchased Services (400-500 series)	11,200	8,900	20,100	6,762	13,338
Supplies and Materials	3,150	10,930	14,080	5,015	9,065
Other Objects	1,900	20,000	21,900	1,779	20,121
Total Undist. Expend.-Support Serv.-School Adm.	466,452	40,080	506,532	459,028	47,504
Undist. Expend. - Central Services:					
Salaries	252,288	2,300	254,588	254,588	
Purchased Professional Services	41,000	(28,670)	12,330	12,330	
Miscellaneous Purchased Services (400-500 series other than 594)	6,000	6,755	12,755	12,666	89
Supplies and Materials	7,300	4,543	11,843	11,574	269
Other Objects	1,400	(75)	1,325	1,290	35
Total Undist. Expend. - Central Services	307,988	(15,147)	292,841	292,448	393
Undist. Expend. - Admin. Info. Technology:					
Other Purchased Services (400-500 series)	26,000	1,007	27,007	26,503	504
Supplies and Materials		3,640	3,640	2,937	703
Total Undist. Expend. - Admin. Info. Technology	26,000	4,647	30,647	29,440	1,207
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	96,772	1,496	98,268	98,268	
Cleaning, Repair, and Maintenance Services	114,000	63,724	177,724	117,296	60,428
General Supplies	11,000	13,132	24,132	2,718	21,414
Other Objects	7,800	4,811	12,611	11,626	985
Total Undist. Expend.- Required Maint. for School Facilities	229,572	83,163	312,735	229,908	82,827

FAIRFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Undist. Expend.-Custodial Services:					
Salaries	\$ 366,457	\$ (30,245)	\$ 336,212	\$ 336,157	\$ 55
Salaries of Non-Instructional Aides	68,290	(32,267)	36,023	36,022	1
Purchased Professional and Technical Services		2,700	2,700	2,616	84
Cleaning, Repair, and Maintenance Services	15,000	(5,828)	9,172	9,171	1
Other Purchased Property Services	18,000	96,200	114,200	108,619	5,581
Insurance	96,000	(4,200)	91,800	91,161	639
General Supplies	20,000	440	20,440	20,438	2
Energy (Natural Gas)	91,000	16,300	107,300	86,161	21,139
Energy (Electricity)	142,000	(40,000)	102,000	97,645	4,355
Energy (Gasoline)	2,000	(253)	1,747	1,746	1
Total Undist. Expend.-Custodial Services	818,747	2,847	821,594	789,736	31,858
Security:					
Salaries	2,667	2,667	5,334	2,667	2,667
Purchased Professional and Technical Services	101,000	(9,275)	91,725	91,366	359
Cleaning, Repair, and Maintenance Services	10,000	(8,524)	1,476	1,466	10
General Supplies	3,880	(3,000)	880	880	
Total Security	117,547	(18,132)	99,415	96,379	3,036
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	1,165,866	67,878	1,233,744	1,116,023	117,721

FAIRFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	\$ 2,273	\$ 6,973	\$ 9,246	\$ 5,894	\$ 3,352
Contract Serv. - Aid in Lieu of Payments-Nonpublic Studts	30,929		30,929	24,929	6,000
Contract Serv.(Bet. Home & Sch.)- Vendors	364,000	98,180	462,180	457,028	5,152
Contract Serv.(Oth. than Bet. Home & Sch.)-Vend.	7,000	5,739	12,739	4,919	7,820
Contract Serv.(Spl. Ed. Students)-Vendors	300,000	(30,000)	270,000	222,504	47,496
Contract Serv.(Spl. Ed. Students)-ESCs & CTSA's	70,000	(4,700)	65,300	2,903	62,397
Total Undist. Expend.-Student Trans. Serv.	<u>774,202</u>	<u>76,192</u>	<u>850,394</u>	<u>718,177</u>	<u>132,217</u>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	140,000	(17,246)	122,754	115,853	6,901
Other Retirement Contributions - PERS	160,000	17,958	177,958	177,958	
Other Retirement Contributions - Regular	17,500	400	17,900	17,600	300
Unemployment Compensation	25,000	6,500	31,500	30,363	1,137
Workers Compensation	74,000		74,000	73,632	368
Health Benefits	1,750,000	(29,513)	1,720,487	1,665,337	55,150
Tuition Reimbursement	20,000		20,000	9,896	10,104
Other Employee Benefits	142,500	(10,445)	132,055	114,493	17,562
Unused Vacation payment to Terminated/Retired Staff		14,679	14,679		14,679
Unused Sick Payment to Terminated/Retired Staff	30,000	667	30,667	25,826	4,841
TOTAL UNALLOCATED BENEFITS	<u>2,359,000</u>	<u>(17,000)</u>	<u>2,342,000</u>	<u>2,230,958</u>	<u>111,042</u>
<b>ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>					
TPAF Post Retirement Contributions (Non-Budgeted)				527,689	(527,689)
TPAF Pension Contributions (Non-Budgeted)				2,227,132	(2,227,132)
TPAF Non-Contributory Insurance (Non-Budgeted)				31,422	(31,422)
TPAF Long-Term Disability Insurance (Non-Budgeted)				998	(998)
Reimbursed TPAF Social Security Contributions				456,087	(456,087)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				<u>3,243,328</u>	<u>(3,243,328)</u>

FAIRFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 2,359,000	\$ (17,000)	\$ 2,342,000	\$ 5,474,286	\$ (3,132,286)
TOTAL UNDISTRIBUTED EXPENDITURES	7,412,323	48,385	7,460,708	9,873,940	(2,413,232)
TOTAL GENERAL CURRENT EXPENSE	13,419,255		13,419,255	15,613,734	(2,194,479)
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	40,000		40,000	39,998	2
Assessment for Debt Service on SDA Funding	11,855		11,855	11,855	
Total Facilities Acquisition and Const. Serv.	51,855		51,855	51,853	2
TOTAL CAPITAL OUTLAY	51,855		51,855	51,853	2
TOTAL EXPENDITURES	13,471,110		13,471,110	15,665,587	(2,194,477)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(561,231)		(561,231)	681,062	(1,242,293)
Other Financing Sources/(Uses):					
Transfers to Cover Deficit - Food Service Fund	(16,000)		(16,000)	(8,185)	7,815
Capital Reserve - Transfer to Capital Projects	(16,000)	(500,000)	(500,000)	(500,000)	
		(500,000)	(516,000)	(508,185)	7,815
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(577,231)	(500,000)	(1,077,231)	172,877	(1,234,478)
Fund Balance, July 1	3,471,361		3,471,361	3,471,361	
Fund Balance, June 30	\$ 2,894,130	\$ (500,000)	\$ 2,394,130	\$ 3,644,238	\$ (1,234,478)



FAIRFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2023-2024				\$ 394,735	
Excess Surplus - Restricted For 2022-2023				497,102	
Capital Reserve				1,923,255	
Maintenance Reserve				150,000	
Assigned Fund Balance:					
Year End Encumbrances				158,196	
Unassigned Fund Balance				520,950	
				3,644,238	
				(63,185)	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				\$ 3,581,053	

FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	\$ 422,916	\$ 736,717	\$ 1,159,633	\$ 714,440	\$ (445,193)
State Sources		14,584	14,584	14,584	
Local Sources		37,311	37,311	33,060	(4,251)
<b>Total Revenues</b>	<b>422,916</b>	<b>788,612</b>	<b>1,211,528</b>	<b>762,084</b>	<b>(449,444)</b>
<b>EXPENDITURES:</b>					
Instruction					
Salaries	55,000	158,050	213,050	82,897	130,153
Other Purchased Services	88,503	(54,634)	33,869	33,869	
General Supplies		143,485	143,485	106,948	36,537
<b>Total Instruction</b>	<b>143,503</b>	<b>246,901</b>	<b>390,404</b>	<b>223,714</b>	<b>166,690</b>
Support Services					
Salaries	62,500	33,670	96,170	73,129	23,041
Employee Benefits		4,000	4,000	4,000	
Purchased Professional - Technical Services	145,739	171,777	317,516	233,335	84,181
Other Purchased Services	71,174	(5,474)	65,700	59,871	5,829
Supplies and Materials		186,477	186,477	107,729	78,748
Student Activities		15,771	15,771	15,771	
Scholarship		9,883	9,883	1,000	8,883
<b>Total Support Services</b>	<b>279,413</b>	<b>416,104</b>	<b>695,517</b>	<b>490,835</b>	<b>204,682</b>
Facilities Acquisition and Construction Services:					
Building		114,584	114,584	36,512	78,072
<b>Total Facilities Acquisition and Construction Services</b>		<b>114,584</b>	<b>114,584</b>	<b>36,512</b>	<b>78,072</b>
<b>Total Expenditures</b>	<b>422,916</b>	<b>777,589</b>	<b>1,200,505</b>	<b>751,061</b>	<b>449,444</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ - 0 -	\$ 11,023	\$ 11,023	\$ 11,023	\$ - 0 -

FAIRFIELD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 16,346,649	\$ 762,084
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.		(75,831)
Prior year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	49,181	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(63,185)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 16,332,645	\$ 686,253
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 15,665,587	\$ 751,061
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.		(75,831)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 15,665,587	\$ 675,230

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, 2022 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, 2022

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, 2022

	Elementary & Secondary Education Act		ESSER III	Accelerated Learning	ARP	
	Title I	Title IIA			Title IV	Beyond the School Day
<b>REVENUE:</b>						
Federal Sources	\$ 18,480	\$ 49,093	\$ 12,745	\$ 10,000	\$ 111,939	\$ 9,500
State Sources						
Local Sources						
<b>Total Revenue</b>	<b>18,480</b>	<b>49,093</b>	<b>12,745</b>	<b>10,000</b>	<b>111,939</b>	<b>9,500</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries						
Other Purchased Services		33,869				
General Supplies		15,224	3,991	1,500	12,958	
<b>Total Instruction</b>		<b>49,093</b>	<b>3,991</b>	<b>1,500</b>	<b>12,958</b>	<b>29,100</b>
Support Services:						
Salaries					1,500	9,960
Purchased Professional - Technical Services	18,480		4,000	8,500		9,500
Other Purchased Services			4,754		19,855	800
Supplies and Materials					55,698	
Student Activities						
Scholarship Awards						
<b>Total Support Services</b>	<b>18,480</b>		<b>8,754</b>	<b>8,500</b>	<b>77,053</b>	<b>10,760</b>
Facilities Acquisition:						
Building					21,928	
<b>Total Facilities Acquisition</b>					<b>21,928</b>	
<b>Total Expenditures</b>	<b>\$ 18,480</b>	<b>\$ 49,093</b>	<b>\$ 12,745</b>	<b>\$ 10,000</b>	<b>\$ 111,939</b>	<b>\$ 9,500</b>
						<b>\$ 29,100</b>
						<b>\$ 10,760</b>

FAIRFIELD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ERIC Safety	SDA Emergent Needs and Capital Maintenance	ESSER II	CRRSA Learning Acceleration	Mental Health	Local Grant	Student Activities
REVENUE:							
Federal Sources			\$ 154,726	\$ 25,000	\$ 44,879		
State Sources	\$ 4,632	\$ 14,584				\$ 634	\$ 26,794
Local Sources						634	
Total Revenue	4,632	14,584	154,726	25,000	44,879	634	26,794
EXPENDITURES:							
Instruction:							
Salaries			28,797	25,000			
Other Purchased Services							
General Supplies	3,912		41,813				
Total Instruction	3,912		70,610	25,000			
Support Services:							
Salaries			54,169		7,500		
Purchased Professional - Technical Services	720				1,750		
Other Purchased Services			29,947			634	
Supplies and Materials					35,629		15,771
Student Activities							
Scholarship Awards							
Total Support Services	720		84,116		44,879	634	15,771
Facilities Acquisition:							
Building		14,584					
Total Facilities Acquisition		14,584					
Total Expenditures	\$ 4,632	\$ 14,584	\$ 154,726	\$ 25,000	\$ 44,879	\$ 634	\$ 15,771



FAIRFIELD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	IDEA Part B,		Totals June 30, 2022
	Basic	Preschool	
REVENUE:			
Federal Sources	\$ 230,940	\$ 7,278	\$ 714,440
State Sources			14,584
Local Sources		\$ 1,000	33,060
Total Revenue	230,940	7,278	762,084
EXPENDITURES:			
Instruction:			
Salaries			82,897
Other Purchased Services			33,869
General Supplies	21,772	5,778	106,948
Total Instruction	21,772	5,778	223,714
Support Services:			
Salaries			73,129
Purchased Professional -			
Technical Services	189,585		233,335
Other Purchased Services	5,036	279	59,871
Supplies and Materials	14,547	1,221	107,729
Student Activities			15,771
Scholarship Awards		1,000	1,000
Total Support Services	209,168	1,500	490,835
Facilities Acquisition:			
Building			36,512
Total Facilities Acquisition			36,512
Total Expenditures	230,940	7,278	751,061

CAPITAL PROJECTS FUND  
(NOT APPLICABLE)

PROPRIETARY FUNDS  
(NOT APPLICABLE)

FIDUCIARY ACTIVITIES  
(NOT APPLICABLE)

LONG-TERM DEBT

FAIRFIELD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance June 30, 2021</u>	<u>Matured</u>	<u>Balance June 30, 2022</u>
2002 School Bonds	5/1/2002	\$ 1,200,000	4.75%	\$ 80,000	\$ 80,000	
				\$ 80,000	\$ 80,000	\$ -0-

FAIRFIELD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE

FAIRFIELD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER LEASES PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE



FAIRFIELD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUE:</b>				
Local Sources:				
Local Tax Levy	\$ 81,900	\$ 81,900	\$ 81,900	
Total Revenue	81,900	81,900	81,900	
<b>EXPENDITURES:</b>				
Regular Debt Service:				
Interest	1,903	1,903	1,900	\$ 3
Redemption of Principal	80,000	80,000	80,000	
Total Regular Debt Service	81,903	81,903	81,900	3
Total Expenditures	81,903	81,903	81,900	3
Fund Balance, July 1	4	4	4	
Fund Balance, June 30	\$ 1	\$ 1	\$ 4	\$ 3
<u>Recapitulation:</u>				
Restricted		\$ 4		

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

This part of the District’s comprehensive annual 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**

	<b><u>Exhibit</u></b>
<b>Financial Trends</b> 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
<b>Revenue Capacity</b> 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
<b>Debt Capacity</b> 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
<b>Demographic and Economic Information</b> 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
<b>Operating Information</b> 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 comprehensive annual financial report for the relevant year.



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

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 5,135,600	\$ 5,159,835	\$ 5,954,422	\$ 6,357,873	\$ 7,168,636	\$ 7,412,201	\$ 7,199,573	\$ 6,860,678	\$ 7,031,298	\$ 5,571,387
Special Education	1,648,215	1,708,647	1,677,704	2,185,110	2,394,523	2,281,485	1,423,930	1,932,360	2,177,585	1,938,135
Other Special Education	593,897	553,730	745,287	636,496	832,853	944,978	1,080,272	1,076,142	1,048,952	922,254
Other Instruction				124,675	170,149	205,500	201,169	186,281	185,152	15,778
Support Services:										
Tuition				228,441	190,133		17,320	22,720	782	8,718
Student & Instruction Related Services	1,590,375	1,485,298	1,665,215	1,631,895	1,356,886	1,600,983	2,006,868	1,939,594	1,947,081	2,614,906
General & Business Administrative Services	531,004	474,601	497,986	447,705	469,307	553,570	547,904	534,134	600,113	802,803
School Administrative Services	441,325	500,631	603,042	627,866	693,929	551,977	580,610	667,926	697,779	731,015
Central Services			3,119	303,010	272,290	359,888	353,815	362,811	389,759	520,382
Administrative Technology Services					4,779	2,225			26,411	845
Plant Operations And Maintenance	1,168,796	1,090,468	1,104,453	1,112,433	1,284,650	1,262,544	1,118,327	1,273,132	1,058,299	1,645,962
Pupil Transportation	640,052	689,318	670,923	601,724	593,135	584,773	649,304	650,872	723,186	744,218
Business and Other Support Services	240,591	245,246	287,224							
Capital Outlay				11,855						
Special Schools					38,786	28,469	24,765	21,021	17,239	13,438
Interest On Long-Term Debt	46,999	42,148	37,100	30,347						
Total Governmental Activities Expenses	\$ 12,036,854	\$ 11,949,922	\$ 13,246,475	\$ 14,299,430	\$ 15,470,056	\$ 15,788,594	\$ 15,203,857	\$ 15,527,671	\$ 15,903,636	\$ 15,529,841
<b>Program Revenues:</b>										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 20,000	\$ 25,000	\$ 21,000	\$ 25,000	\$ 97,107	\$ 165,408	\$ 99,108	\$ 111,718	\$ 133,164	\$ 155,702
Operating Grants and Contributions	1,644,037	1,490,683	2,736,663	3,397,663	4,165,300	4,609,867	3,915,179	3,931,785	4,356,106	3,846,136
Capital Grants and Contributions			4,222			(3,206)				
Total Governmental Activities Program Revenues	\$ 1,664,037	\$ 1,515,683	\$ 2,761,885	\$ 3,422,663	\$ 4,262,407	\$ 4,772,069	\$ 4,014,287	\$ 4,043,503	\$ 4,489,270	\$ 4,001,838

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

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expenses)/Revenue:										
Governmental Activities	\$ (10,372,817)	\$ (10,434,239)	\$ (10,484,590)	\$ (10,876,767)	\$ (11,207,649)	\$ (11,016,525)	\$ (11,189,570)	\$ (11,484,168)	\$ (11,414,366)	\$ (11,528,003)
Total District-Wide Net Expense	\$ (10,372,817)	\$ (10,434,239)	\$ (10,484,590)	\$ (10,876,767)	\$ (11,207,649)	\$ (11,016,525)	\$ (11,189,570)	\$ (11,484,168)	\$ (11,414,366)	\$ (11,528,003)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 9,858,894	\$ 10,056,071	\$ 10,257,192	\$ 10,487,978	\$ 10,708,159	\$ 11,102,556	\$ 11,378,705	\$ 11,662,035	\$ 11,895,276	\$ 12,133,182
Taxes Levied for Debt Service	147,723	142,873	142,867	147,447	141,772	145,801	93,220	40,599	85,700	81,900
Federal and State Aid not Restricted	8,949	11,079	22,316	1,145	274	1,651				
Miscellaneous Income	44,058	39,573	49,723	44,487	56,916	47,860	190,344	148,293	331,923	158,340
Total Governmental Activities General Revenue and Other Changes in Net Position	10,059,624	10,249,596	10,472,098	10,681,057	10,907,121	11,297,868	11,662,269	11,850,927	12,312,899	12,373,422
Change in Net Position:										
Governmental Activities	\$ (313,193)	\$ (184,643)	\$ (12,492)	\$ (195,710)	\$ (300,528)	\$ 281,343	\$ 472,699	\$ 366,759	\$ 898,533	\$ 845,419
Total District-Wide Change in Net Position	\$ (313,193)	\$ (184,643)	\$ (12,492)	\$ (195,710)	\$ (300,528)	\$ 281,343	\$ 472,699	\$ 366,759	\$ 898,533	\$ 845,419

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Restricted	\$ 605,542	\$ 407,115	\$ 440,743	\$ 478,380	\$ 352,885	\$ 924,493	\$ 1,593,284	\$ 2,048,986	\$ 2,955,942	\$ 2,965,092
Committed	19,150		48,849							
Assigned	11,931	73,612	115,407	47,521	136,497	51,987	12,941	51,451	41,646	158,196
Unassigned	82,395	79,313		221,200	173,693	230,669	269,180	240,484	424,592	457,765
Total General Fund	\$ 719,018	\$ 560,040	\$ 604,999	\$ 747,101	\$ 663,075	\$ 1,207,149	\$ 1,875,405	\$ 2,340,921	\$ 3,422,180	\$ 3,581,053
All Other Governmental Funds:										
Restricted						\$ 48,881	\$ 48,881	\$ 41,193	\$ 34,482	\$ 45,505
Committed	\$ 254,415	\$ 254,415	\$ 254,415	\$ 134,602	\$ 134,602	131,984				469,174
Total All Other Governmental Funds	\$ 254,415	\$ 254,415	\$ 254,415	\$ 134,602	\$ 134,602	\$ 180,865	\$ 48,881	\$ 41,193	\$ 34,482	\$ 514,679
Total Governmental Funds:										
Restricted	605,542	407,115	440,743	478,380	352,885	973,374	1,642,165	2,090,179	2,990,424	3,010,597
Committed	273,565	254,415	303,264	134,602	134,602	131,984				469,174
Assigned	11,931	73,612	115,407	47,521	136,497	51,987	12,941	51,451	41,646	158,196
Unassigned	82,395	79,313		221,200	173,693	230,669	269,180	240,484	424,592	457,765
Total Governmental Funds:	\$ 973,433	\$ 814,455	\$ 859,414	\$ 881,703	\$ 797,677	\$ 1,388,014	\$ 1,924,286	\$ 2,382,114	\$ 3,456,662	\$ 4,095,732

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)

	For the Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax Levy	\$ 10,006,617	\$ 10,198,944	\$ 10,400,059	\$ 10,635,425	\$ 10,849,931	\$ 11,248,357	\$ 11,471,925	\$ 11,702,634	\$ 11,980,976	\$ 12,215,082
Tuition Charges	20,000	25,000	21,000	25,000	149,341	197,901	110,371	119,193	132,752	138,408
Miscellaneous	43,200	40,857	53,945	46,987	7,559	18,405	182,854	145,482	347,501	181,900
State Sources	1,493,703	1,339,665	1,639,080	1,671,177	1,668,304	2,076,691	2,337,594	2,542,888	2,970,709	3,912,215
Federal Sources	156,795	160,813	153,815	190,798	170,810	186,570	185,495	204,938	253,133	653,193
<b>Total Revenue</b>	<b>11,720,315</b>	<b>11,765,279</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>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	5,114,932	5,161,779	5,301,155	3,771,546	3,615,422	3,809,433	4,000,399	3,849,600	3,798,350	4,195,206
Special Education Instruction	1,642,068	1,709,692	1,529,658	1,215,102	1,265,519	1,221,560	846,559	1,124,158	1,280,894	1,478,677
Other Instruction	593,897	553,299	667,988	420,788	514,279	570,375	672,979	685,879	642,651	725,370
<b>Support Services:</b>										
Tuition	1,591,195	1,492,564	1,539,039	228,441	190,133	1,092,419	17,320	22,720	782	8,718
Student/Instruction Related Services	530,797	474,601	462,901	381,594	370,477	421,061	424,081	402,234	463,983	505,408
General Administrative Services	433,477	493,855	532,931	381,192	367,186	322,415	348,013	434,854	445,596	459,028
School Administrative Services	240,609	245,295	262,820	246,833	190,392	251,118	254,958	248,773	278,424	292,448
Other Administrative Services				4,620	4,620	2,156			25,630	
Administrative Technology Services				824,979	1,037,439	1,001,486	1,030,557	1,056,163	871,371	1,145,463
Plant Operations And Maintenance	990,926	915,153	902,324	590,271	560,176	552,354	628,638	630,436	700,101	718,177
Pupil Transportation	640,052	689,318	668,910	3,188,141	3,419,658	3,760,737	3,937,875	4,038,962	4,571,472	5,474,286
Unallocated Benefits				8,612	8,612	9,212	11,742	13,918		
Undistributed Expenditures - Food Service				92,679	105,578	26,341	71,775	319,359	42,523	82,679
Capital Outlay	41,986	45,828	106,604							
Debt Service:										
Principal	100,000	100,000	105,000	115,000	205,000	80,000	80,000	80,000	80,000	80,000
Interest And Other Charges	47,723	42,873	37,866	32,448	27,836	16,920	13,220	9,480	5,700	1,900
<b>Total Expenditures</b>	<b>11,967,662</b>	<b>11,924,257</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>
Excess (Deficiency) Of Revenues	(247,347)	(158,978)	150,703	(83,455)	(84,026)	590,337	536,272	416,638	1,074,548	647,255
Over (Under) Expenditures										

FAIRFIELD BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Modified Accrual Basis of Accounting)*

	For the Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing Sources (Uses):										
Transfers In				\$ 91,064	\$ 588	\$ (131,984)	\$ (131,984)	\$ (131,984)		500,000
Transfers Out				(91,064)	(588)	131,984	131,984	131,984		(508,185)
Total Other Financing Sources (Uses)										(8,185)
Net Change In Fund Balances	\$ (247,347)	\$ (158,978)	\$ 150,703	\$ (83,455)	\$ (84,026)	\$ 590,337	\$ 536,272	\$ 416,638	\$ 1,074,548	\$ 639,070
Debt Service As A Percentage Of Noncapital Expenditures	1.33%	1.24%	1.24%	1.17%	1.80%	0.74%	0.68%	0.63%	0.59%	0.50%

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)*

Fiscal Year Ended June 30,	Interest on Investments	Tuition	Prior Year Refunds	Rentals	Other	Total
2013	\$ 242	\$ 20,000	\$ 28,689		\$ 11,781	\$ 60,712
2014	8,894	25,000	30,329		350	64,573
2015	7,174	21,000	31,370		11,179	70,723
2016		25,000		\$ 40,109	4,378	69,487
2017		97,107		52,234	4,682	154,023
2018	1,963	165,408		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		128,908		9,500	148,840	287,248

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		Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax		Estimated Actual (County Equalized Value)
	Regular	Qualified	Regular	Qualified	Regular	Qualified								Rate <sup>b</sup>	Rate <sup>b</sup>	
2012 *	\$ 40,010,500	\$ 33,300	\$ 424,200	\$ 33,300	\$ 692,955,600	\$ 823,057,500	\$ 15,000,000	\$ 2,677,182,100	\$ 10,025,440	\$ 2,687,207,540	\$ 0.372	\$ 2,962,755,685				
2013	38,877,100	33,300	424,200	33,300	665,905,200	817,502,000	15,000,000	2,646,524,400	7,898,040	2,654,422,440	0.384	2,783,791,725				
2014	38,420,800	33,300	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	33,300	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	27,600	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	27,600	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	27,600	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	27,600	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	14,300	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	14,300	483,200	14,300	723,081,900	1,023,511,800	4,163,110	3,159,875,510	7,768,477	3,205,111,977	0.381	3,528,684,125				

\* 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			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Debt Service <sup>b</sup>	Total Direct	West Essex Regional School District	Fairfield Township	Essex County	
2012	* \$ 0.367	\$ 0.005	\$ 0.372	\$ 0.525	\$ 0.503	\$ 0.486	\$ 1.886
2013	0.378	0.006	0.384	0.529	0.512	0.512	1.937
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

\* 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 TAXPAYERS**  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

	2021		2012		Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer					
Colfin Industrial LLC		\$ 84,041,200	2.62%	IIT Fairfield Industrial	\$ 35,754,900	1.35%			
Breit Industrial Fair Prop LLC		51,566,600	1.61%	Fairfield Road, LLC	34,471,300	1.30%			
300 Fairfield Road LLC		43,544,700	1.36%	AMB Partners II, LP	31,019,700	1.17%			
LMAN LNT LLC		35,765,800	1.12%	GRE Greenbrook Property, LLC	30,895,800	1.16%			
Marshall Field/Target Corp		26,295,800	0.82%	LMR USA, LLC	21,283,800	0.80%			
GRE Greenbrook Property LLC		26,245,300	0.82%	True North Fairfield Property LLC	20,400,000	0.77%			
180 Passaic A&B Fairfield NJ LLC		21,784,900	0.68%	Kyocera Mita America, Inc.	20,323,600	0.75%			
Investor Properties Inc		21,631,600	0.67%	RRAMC	19,809,000	0.75%			
Skyline Properties LLC		21,544,600	0.67%	Marshall Field/Target Corp	18,900,000	0.71%			
Fairfield Route 46 LLC		21,468,700	0.67%	Skyline Properties LLC	18,052,500	0.68%			
<b>Total</b>		<b>\$ 353,889,200</b>	<b>11.04%</b>		<b>\$ 250,910,600</b>	<b>9.44%</b>			

Note: Revaluation of real property was effective in 2012 and 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	
2013	\$ 10,006,617	\$ 10,006,617	100.00%	\$ -0-
2014	10,198,944	10,198,944	100.00%	-0-
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-

- 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 General Obligation Bonds	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
2013	\$ 925,000	\$ 925,000	0.22%	\$ 124
2014	825,000	825,000	0.19%	110
2015	720,000	720,000	0.16%	96
2016	605,000	605,000	0.13%	81
2017	400,000	400,000	0.08%	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-

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,	General Bonded Debt Outstanding		Percentage of Actual Taxable Net Valuation <sup>a</sup> Taxable	Per Capita <sup>b</sup>
	General Obligation Bonds	Net General Bonded Debt Outstanding		
2013	\$ 925,000	\$ 925,000	0.03%	\$ 124
2014	825,000	825,000	0.03%	110
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-

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, 2021

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable <sup>a</sup></u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt Repaid With Property Taxes:			
West Essex Regional High School	\$ 5,050,000	25.00%	\$ 1,262,500
Township of Fairfield	3,096,000	100.00%	<u>3,096,000</u>
			4,358,500
Overlapping Debt Appropriated to the Municipality:			
Essex County	680,439,442	3.61%	<u>24,555,971</u>
Subtotal, Overlapping Debt			28,914,471
Township of Fairfield School District			<u>-0-</u>
Total Direct And Overlapping Debt			<u><u>\$ 28,914,471</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				
	2013	2014	2015	2016	2017
Debt Limit	\$72,329,443	\$ 68,971,880	\$ 66,531,417	\$ 68,152,750	\$ 71,389,946
Total Net Debt Applicable to Limit	925,000	825,000	720,000	605,000	400,000
Legal Debt Margin	<u>\$71,404,443</u>	<u>\$ 68,146,880</u>	<u>\$ 65,811,417</u>	<u>\$ 67,547,750</u>	<u>\$ 70,989,946</u>
Total Net Debt Applicable to the Limit Limit As a Percentage of Debt	1.28%	1.20%	1.08%	0.89%	0.56%

	Fiscal Year				
	2018	2019	2020	2021	2022
Debt Limit	\$73,288,525	\$ 73,974,931	\$ 76,368,679	\$ 78,116,415	\$ 86,823,035
Total Net Debt Applicable to Limit	320,000	240,000	160,000	80,000	-0-
Legal Debt Margin	<u>\$72,968,525</u>	<u>\$ 73,734,931</u>	<u>\$ 76,208,679</u>	<u>\$ 78,036,415</u>	<u>\$ 86,823,035</u>
Total Net Debt Applicable to the Limit Limit As a Percentage of Debt	0.44%	0.32%	0.21%	0.21%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis:
2021	\$ 3,528,684,125
2020	3,639,762,003
2019	3,250,318,106
	<u>\$ 10,418,764,234</u>
Average Equalized Valuation of Taxable Property	\$ 3,472,921,411
Debt Limit (2.5% of average equalization value) <sup>a</sup>	86,823,035
Net Bonded School Debt	<u>-0-</u>
Legal Debt Margin	<u>\$ 86,823,035</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 Capita Personal Income<sup>c</sup></u>	<u>Personal Income (thousands of dollars)<sup>b</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2013	7,482	\$ 55,808	\$ 417,555,456	7.50%
2014	7,493	58,487	438,243,091	4.60%
2015	7,497	60,840	456,117,480	5.70%
2016	7,502	62,334	467,629,668	4.30%
2017	7,497	64,232	481,547,304	4.40%
2018	7,489	65,214	488,387,646	4.20%
2019	7,474	67,657	505,668,418	3.30%
2020	7,459	70,497	525,837,123	11.00%
2021	7,818	70,497 *	551,145,546 ***	6.20%
2022	7,818 **	70,497 *	551,145,546 ***	N/A

\* - Latest Essex County per capita personal income available (2020) was used for calculation purposes.

\*\* - Latest population data available (2021) was used for calculation purposes.

\*\*\* - Latest per capita personal income available (2020) and latest population data available (2021) 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

	2021		2012		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
Prudential Ins. Co. of America		49,705			15.05%
St. Barnabus Health Care System		24,600			7.45%
Rutgers University-Newark Campus		23,980			7.26%
Verizon		15,000			4.54%
Public Service Electric & Gas		12,945			3.92%
New Jersey Transit		11,500			3.48%
City of Newark		10,001			3.03%
Montclair State University		7,900			2.39%
Newark Board of Education		7,050			2.13%
Gateway Group One		6,250			1.89%
Automatic Data Processing		5,649			1.71%
		<u>174,580</u>			<u>52.86%</u>
County Labor Force		<u>330,269</u>			
					NOT AVAILABLE

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>2013</u>	<u>2014</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>
Instruction:										
Regular	50.1	52.0	52.0	52.0	53.0	51.0	60.5	54.0	60.0	59.0
Special Education	29.0	31.0	31.0	31.0	27.0	32.0	12.0	12.0	21.0	13.0
Other Special Education	3.0	4.0	4.0	5.0	5.0	6.0	9.5	7.0	8.0	13.0
Support Services:										
Student & Instruction Related Services	4.0	5.0	5.0	5.0	5.0	5.0	7.5	10.5	8.5	12.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	4.0	3.5	3.5	8.0
School Administrative Services	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.5	4.5	4.0
Central Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.5	2.0
Plant Operations and Maintenance	7.5	6.5	6.5	6.5	6.5	6.5	12.0	12.0	9.0	7.0
<b>Total</b>	<b>103.6</b>	<b>108.5</b>	<b>108.5</b>	<b>109.5</b>	<b>106.5</b>	<b>110.5</b>	<b>112.5</b>	<b>107.0</b>	<b>118.0</b>	<b>118.0</b>

Source: Fairfield Township School District personnel records.

FAIRFIELD BOARD OF EDUCATION  
OPERATING STATISTICS,  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	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
2013	692	\$ 11,777,953	\$ 17,020	5.16%	56	12.3	691.1	662.9	0.09%	95.92%
2014	644	11,735,556	18,223	7.07%	58	11.1	645.0	616.4	-6.67%	95.57%
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%

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>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Stevenson										
Square Feet	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	56,625	49,102
Capacity (Students)	450	450	450	450	450	450	450	450	450	450
Enrollment	382	350	335	339	374	424	402	397	395	413
Churchill										
Square Feet	38,350	38,350	38,350	38,350	38,350	38,350	38,350	38,350	38,350	38,350
Capacity (Students)	400	400	400	400	400	400	400	400	400	400
Enrollment	310	294	290	282	285	257	268	289	301	286

Number of Schools at June 30, 2022:

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 *	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Stevenson Elementary School	\$ 33,606	\$ 26,491	\$ 15,093	\$ 32,233	\$ 82,060	\$ 57,569	\$ 50,657	\$ 134,149	\$ 121,608	\$ 137,945
Churchill Elementary School	44,059	42,864	11,859	33,128	81,924	101,816	119,062	104,992	82,361	91,963
	<u>\$ 77,665</u>	<u>\$ 69,355</u>	<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>

\* School facilities as defined under EFCFA.  
 (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, 2022  
UNAUDITED

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package - NJSIG		
Property - Real and Personal Property (fund limit)	\$ 500,000	\$ 5,000
General Liability	31,000,000	N/A
Electronic Data Processing	500,000	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 "Department"), 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 28, 2022. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

**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.

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

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.

### **Report on Compliance and Other Matters**

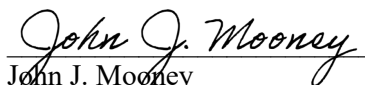
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 28, 2022  
Mount Arlington, New Jersey

  
NISIVOCCIA LLP

  
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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 its District's major state program for the fiscal year ended June 30, 2022. The District's major state program is 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 its major state program for the fiscal year ended June 30, 2022.

***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 the 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 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 the 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 28, 2022  
Mount Arlington, New Jersey

*Nisivoccia 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, 2022

Federal Grantor/Pass Through Grantor Program Title\Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2021 (Accounts Receivable)	Cash Received	Budgetary Expenditures	Balance 6/30/2022 (Accounts Receivable)	Amount Provided to Subrecipient
U.S. Department of Education									
Passed-through State Department of Education:									
Elementary and Secondary Education Act:									
Title I	84.010	ESEA-1465-21	7/1/20-9/30/21	\$ 50,571	\$ (7,351)	\$ 7,351		\$ (11,526)	
Title I	84.010	ESEA-1465-22	7/1/21-9/30/22	49,093	(7,351)	44,918	(49,093)	(11,526)	
Total Title I									
Title II	84.367	ESEA-1465-21	7/1/20-9/30/21	12,304	(4,601)	4,601	(12,745)	(12,745)	
Title II	84.367	ESEA-1465-22	7/1/21-9/30/22	19,208	(4,601)	4,601	(12,745)	(12,745)	
Total Title II									
Title IV	84.424	ESEA-1465-21	7/1/20-9/30/21	10,000	(2,756)	3,038	(282)	(9,718)	
Title IV	84.424	ESEA-1465-22	7/1/21-9/30/22	10,000	(2,756)	3,038	(10,000)	(9,718)	
Total Title IV									
Total Elementary and Secondary Education Act:					(14,708)	52,557	(71,838)	(33,989)	
U.S. Department of Education-									
Passed-through State Department of Education:									
Education Stabilization Fund:									
COVID 19 - CRRSA:									
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	160,518		86,778	(154,726)	(67,948)	
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	25,000		25,000	(25,000)		
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000		26,426	(44,879)	(18,453)	
COVID 19 - ARP:									
ESSER III	84.425U	S425D210027	3/13/20-9/30/24	360,753			(111,939)	(111,939)	
Accelerated Learning	84.425U	S425D210027	3/13/20-9/30/24	59,641			(9,500)	(9,500)	
Summer Learning	84.425U	S425D210027	3/13/20-9/30/24	40,000					
Beyond School Day	84.425U	S425D210027	3/13/20-9/30/24	40,000			(29,100)	(29,100)	
Mental Health	84.425U	S425D210027	3/13/20-9/30/24	45,000			(10,760)	(10,760)	
Total Education Stabilization Fund						138,204	(385,904)	(247,700)	

FAIRFIELD BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2021 (Accounts Receivable)	Cash Received	Budgetary Expenditures	Balance 6/30/2022 (Accounts Receivable)	Amount Provided to Subrecipient
U.S. Department of Education-									
Passed-through State Department of Education:									
Special Education Cluster:									
I.D.E.A. Part B, Preschool	84.173	IDEA-1465-20	7/1/19-9/30/20	\$ 10,648	\$ (101)			\$ (101)	
I.D.E.A. Part B, Preschool	84.173	IDEA-1465-21	7/1/20-9/30/21	11,143	(7,319)	\$ 8,642	\$ (1,323)		
I.D.E.A. Part B, Preschool	84.173	IDEA-1465-22	7/1/21-9/30/22	12,430		587	(5,955)	(5,368)	
Total I.D.E.A. Preschool					(7,420)	9,229	(7,278)	(5,469)	
I.D.E.A. Part B, Basic	84.027	IDEA-1465-20	7/1/19-9/30/20	178,773	(5,346)			(5,346)	
I.D.E.A. Part B, Basic	84.027	IDEA-1465-21	7/1/20-9/30/21	207,361	(46,348)	47,621	(1,273)		
ARP - I.D.E.A. Part B, Basic	84.027X	IDEA-1465-22	7/1/21-9/30/22	29,891			(18,480)	(18,480)	
I.D.E.A. Part B, Basic	84.027	IDEA-1465-22	7/1/21-9/30/22	218,056		48,160	(229,667)	(181,507)	
Total I.D.E.A. Basic					(51,694)	95,781	(249,420)	(205,333)	
Total Special Education Cluster					(59,114)	105,010	(256,698)	(210,802)	
Total Special Revenue/U.S. Department of Education					(73,822)	295,771	(714,440)	(492,491)	
Total Federal Financial Awards					\$ (73,822)	\$ 295,771	\$ (714,440)	\$ (492,491)	\$ -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, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/2021	Cash Received	Budgetary Expenditures	Balance 6/30/2022 GAAP (Accounts Receivable)	MEMO	
								Budgetary (Accounts Receivable)	Cumulative Total Expenditures
NJ Department of Education:									
Special Education Aid	21-495-034-5120-089	7/1/20 - 6/30/21	\$ 367,365	\$ (34,175)	\$ 34,175				\$ 367,365
Transportation Aid	21-495-034-5120-014	7/1/20 - 6/30/21	148,937	(13,855)	13,855				148,937
Security Aid	21-495-034-5120-084	7/1/20 - 6/30/21	12,368	(1,151)	1,151				12,368
Extraordinary Aid	21-495-034-5120-044	7/1/20 - 6/30/21	51,627	(51,627)	51,627				51,627
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20 - 6/30/21	444,187	(22,069)	22,069				444,187
Special Education Aid	22-495-034-5120-089	7/1/21 - 6/30/22	493,392		445,775	\$ (493,392)	\$ (47,617)		493,392
Transportation Aid	22-495-034-5120-014	7/1/21 - 6/30/22	148,937		134,563	(148,937)	(14,374)		148,937
Security Aid	22-495-034-5120-084	7/1/21 - 6/30/22	12,368		11,174	(12,368)	(1,194)		12,368
Nonpublic Transportation Aid	22-495-034-5120-014	7/1/21 - 6/30/22	4,060			(4,060)	(4,060)		4,060
Extraordinary Aid	22-495-034-5120-044	7/1/21 - 6/30/22	24,134			(24,134)	(24,134)		24,134
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21 - 6/30/22	456,087		433,988	(456,087)	(22,099)		456,087
On-Behalf TPAF Pension Contributions	22-495-034-5094-001	7/1/21 - 6/30/22	2,227,132		2,227,132	(2,227,132)			2,227,132
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-002	7/1/21 - 6/30/22	31,422		31,422	(31,422)			31,422
On-Behalf TPAF Post Retirement Medical Benefits	22-495-034-5094-004	7/1/21 - 6/30/22	527,689		527,689	(527,689)			527,689
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21 - 6/30/22	998		998	(998)			998
<b>Total General Fund State Aid</b>				<b>(122,877)</b>	<b>3,935,618</b>	<b>(3,926,219)</b>	<b>(50,293)</b>	<b>(113,478)</b>	<b>4,950,703</b>
School Development Authority:									
Emergent and Capital Maintenance Needs	N/A	11/19/21-6/30/22	14,584		14,584	(14,584)			
<b>Total School Development Authority</b>									
<b>Total State Department of Education</b>				<b>(122,877)</b>	<b>3,950,202</b>	<b>(3,940,803)</b>	<b>(50,293)</b>	<b>(113,478)</b>	<b>4,950,703</b>
<b>Total State Awards Subject to Single Audit Determination</b>				<b>\$ (122,877)</b>	<b>\$3,950,202</b>	<b>\$ (3,940,803)</b>	<b>\$ (50,293)</b>	<b>\$ (113,478)</b>	<b>\$ 4,950,703</b>
Less: State Awards Not Subject to Single Audit Major Program Determination									
On-Behalf TPAF Pension System Contributions:									
On-Behalf TPAF Pension Contributions	22-495-034-5094-001	7/1/21 - 6/30/22				2,227,132			2,227,132
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-002	7/1/21 - 6/30/22				31,422			31,422
On-Behalf TPAF Post Retirement Medical Benefits	22-495-034-5094-004	7/1/21 - 6/30/22				527,689			527,689
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21 - 6/30/22				998			998
<b>Total State Awards Subject to Single Audit Major Program Determination</b>						<b>2,787,241</b>			<b>2,787,241</b>
									<b>\$ (1,153,562)</b>

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, 2022

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, 2022. 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 (\$14,004) for the General Fund and \$75,831 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, 2022

(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:

	Federal	State	Total
General Fund		\$ 3,912,215	\$ 3,912,215
Special Revenue Fund	\$ 653,193		653,193
	\$ 653,193	\$ 3,912,215	\$ 4,565,408
Total Financial Awards			

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, 2022.

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

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major state program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by NJOMB 15-08*.
- The auditor's report on compliance for the major state program for the District expresses an unmodified opinion on the major state program.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2022 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Circular.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 05-18 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's program tested as major state program for the current fiscal year consisted of the following award:

<u>State Program:</u>	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
State Awards:				
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	\$ 456,087	\$ 456,087

- The threshold used for distinguishing between Type A and Type B state programs was \$750,000.
- The District qualified as a "low-risk" auditee for state programs.

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

(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.

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

Status of Prior Year Findings/Recommendations:

The District had no prior year audit findings.