

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, 2025

Annual Comprehensive Financial Report

of the

Fairfield Township School District
Board of Education

Fairfield Township, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

Fairfield Township School District
Board of Education

FAIRFIELD BOARD OF EDUCATION
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INTRODUCTORY SECTION
(UNAUDITED)

FAIRFIELD TOWNSHIP SCHOOL DISTRICT

Office of the Board of Education

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

Phone: 973-227-1340

www.fpsk6.org

Fax: 973-227-4303

October 1, 2025

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, 2025 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 2024-2025 fiscal year with an enrollment of 713 students, which is 7 students less than the prior year's enrollment.

2. ECONOMIC CONDITION AND OUTLOOK: Fairfield is a township in far northwestern Essex County, New Jersey, United States. Fairfield Public Schools is comprised of 2 elementary schools. Stevenson Elementary serves students in grades PreK-2, and Churchill Elementary serves students in grades 3-6. In the next several years, enrollments are projected to increase due to new housing developments which attract families with elementary-aged children.
3. MAJOR INITIATIVES: The Fairfield Public School District is committed to providing an environment which cultivates individual abilities, respects differences, and nurtures responsibility and cooperation. The district's goals continue to focus on improving the climate/culture of the schools and increasing student growth and achievement.

The district continues to analyze and improve areas in culture and climate. The Fairfield District has updated all curriculum to meet the New Jersey Student Learning Standards (NJSLS). The curriculum is designed to appropriately challenge students at all grade levels and with diverse learning styles. The curriculum balances technology, real-world applications, creativity, and critical thinking. We also offer numerous programs to address the social-emotional learning and mental wellness of our students. Our school counselors teach self-esteem, as well as lessons on character development and restorative practices. The Fairfield School District offers courses for general education, gifted and talented, and special education to help students with varying ability levels. All students have access to computers, online lessons and activities, computer-based assessments, interactive programs, etc. Students in grades 4-6 are assigned school-issued Chromebooks to take home.

Curriculum is available to all parents through the district website. In addition, students in grades K-5 use the HMH "Math Expressions" program, while grade 6 uses "Big Ideas". In Social Studies, K-2 uses the HMH "Kids Discover." The series, "My World - Interactive Social Studies" is being used in grades 3-6. In English Language Arts, we recently transitioned to a new series, Amplify CKLA, for grades K-5. Novels are also used to supplement Reading in grades 3-6. 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 curricula, as stated previously, have been updated to meet NJSLS mandates and are available to everyone through the district website. Fairfield articulates regularly with the West Essex Regional consortium districts (Fairfield, Roseland, North Caldwell, Essex Fells and West Essex Regional). Doing so ensures that students are exposed to a rigorous educational program that addresses all skills needed for the upper grades.

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

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

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2025.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found on Exhibit J-20.
9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

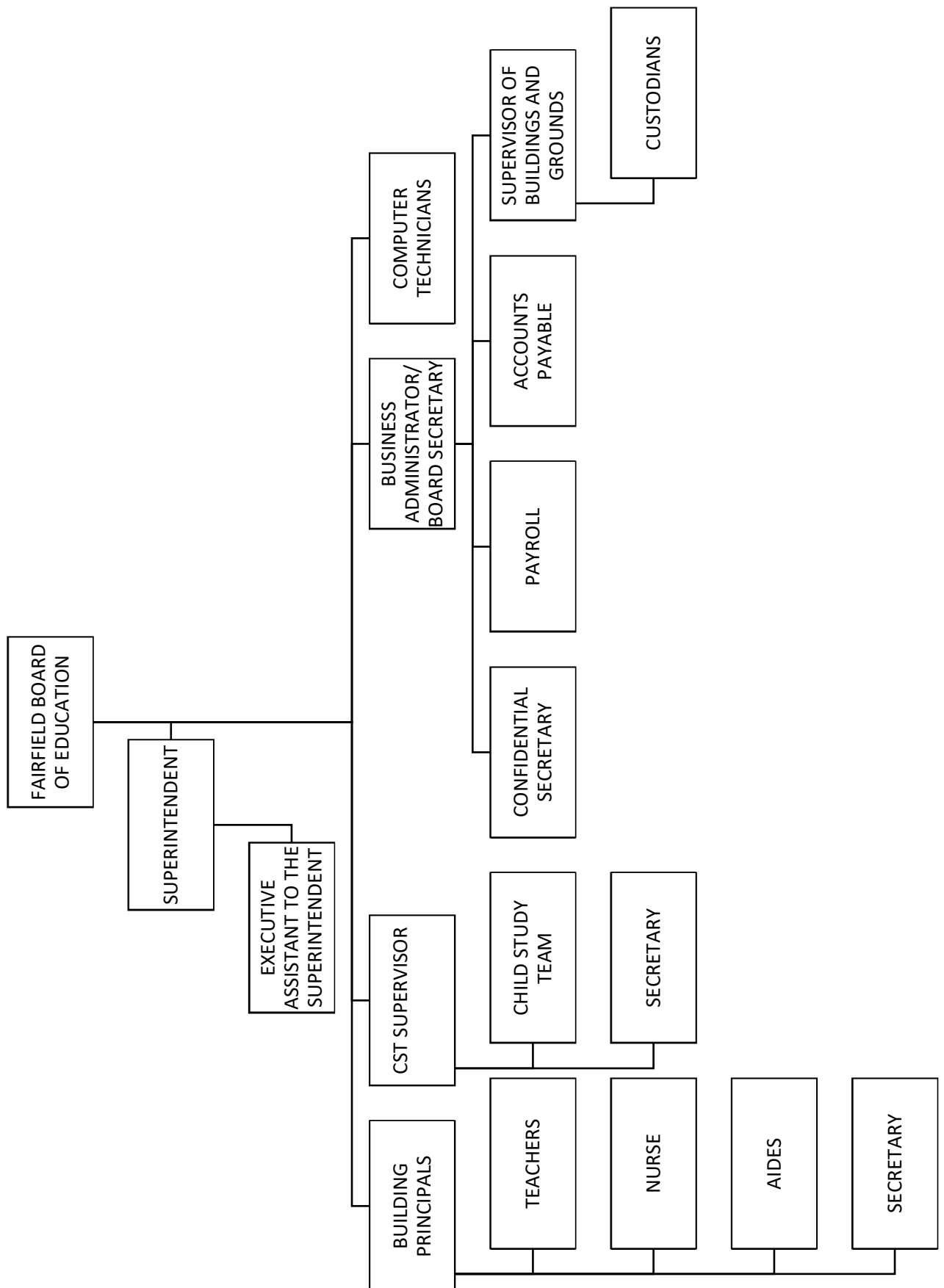
The Honorable President and Members of
the Board of Education
Fairfield Board of Education
Page 4
October 1, 2025

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Fairfield Township School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Ryan Gupta
Mr. Ryan Gupta
Superintendent of Schools

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

FAIRFIELD BOARD OF EDUCATION
ORGANIZATIONAL CHART



FAIRFIELD BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2025

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

<u>Other Officials</u>	<u>Title</u>
Mr. Ryan Gupta	Superintendent of Schools
Ms. Kathleen Marano	Interim Business Administrator/Board Secretary (To 8/31/2024)
Mr. Wally Lindsley	Business Administrator/Board Secretary (From 9/3/2024)
Mr. Michael Halik	Treasurer of School Monies

FAIRFIELD BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
YEAR ENDED JUNE 30, 2025

Audit Firm

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

Attorney

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

Official Depository

Columbia Bank
271 Passaic Avenue
Fairfield, New Jersey 07004

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Fairfield Township School District (the “District”), in the County of Essex, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2025, and the respective changes in financial position, thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

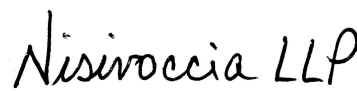
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover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

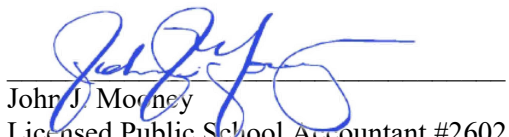
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2025, 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 1, 2025
Mount Arlington, New Jersey


NISIVOCCIA LLP


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, 2025**

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, 2025. 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**

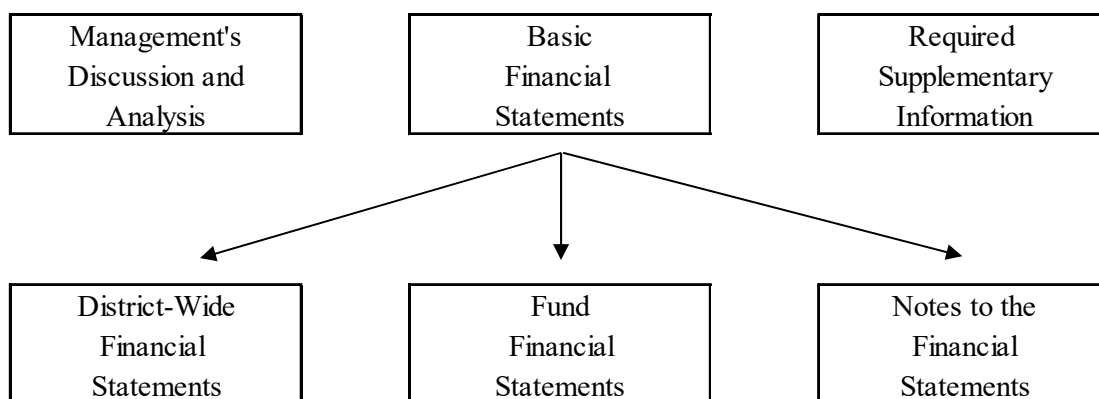


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**FAIRFIELD BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

		Fund Financial Statements
	District-Wide Statements	Governmental Funds
Scope	Entire district	The activities of the district that are not proprietary, such as special education and building maintenance
Required Financial Statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenue, Expenditures, and Changes in Fund Balances
Accounting basis and measurement focus	Accrual Accounting and Economic Resources focus	Modified Accrual Accounting and Current Financial Focus
Type of Asset/Liability Information	All Assets and Liabilities, both Financial and Capital, Short-Term and Long-Term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities included
Type of Inflow/Outflow Information	All Revenue and Expenses during the year, regardless of when Cash is received or paid	Revenue for which cash is received during or soon after year-end, expenditures when goods or services have been received and the related liabilities are due and payable

**FAIRFIELD BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has one kind of fund:

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

**FAIRFIELD BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

Notes to the Basic Financial Statements

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

Financial Analysis of the District as a Whole

Net Position. The District's net position, shown in Figure A-3, increased \$3,090,706 or 36.55%. Net investment in capital assets increased \$931,251, restricted net position increased \$1,849,357 and unrestricted net position increased \$310,098.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Total School District		Total Percentage Change
	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025
Current and Other Assets	\$ 8,997,860	\$ 7,266,419	\$ 8,997,860	\$ 7,266,419	
Capital Assets, Net	5,158,009	4,226,758	5,158,009	4,226,758	
Total Assets	<u>14,155,869</u>	<u>11,493,177</u>	<u>14,155,869</u>	<u>11,493,177</u>	23.17%
Deferred Outflows of Resources	<u>592,567</u>	<u>355,693</u>	<u>592,567</u>	<u>355,693</u>	66.60%
Other Liabilities	276,849	502,129	276,849	502,129	
Long-Term Liabilities	2,578,986	2,463,907	2,578,986	2,463,907	
Total Liabilities	<u>2,855,835</u>	<u>2,966,036</u>	<u>2,855,835</u>	<u>2,966,036</u>	-3.72%
Deferred Inflows of Resources	<u>345,203</u>	<u>426,142</u>	<u>345,203</u>	<u>426,142</u>	-18.99%
Net Position:					
Net Investment in					
Capital Assets	5,158,009	4,226,758	5,158,009	4,226,758	
Restricted	8,246,763	6,397,406	8,246,763	6,397,406	
Unrestricted/(Deficit)	<u>(1,857,374)</u>	<u>(2,167,472)</u>	<u>(1,857,374)</u>	<u>(2,167,472)</u>	
Total Net Position	<u>\$ 11,547,398</u>	<u>\$ 8,456,692</u>	<u>\$ 11,547,398</u>	<u>\$ 8,456,692</u>	36.55%

**FAIRFIELD BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

Changes in net position. The District's net position was \$11,547,398 on June 30, 2025, or 36.55% more than it was the year before. (See Figure A-3). The reduction of District long-term liabilities associated with capital assets, and capital assets additions and the unspent budget appropriations offset by the increase to net pension liabilities were the primary reasons for the change 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
	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025
Revenue:					
Program Revenue:					
Charges for Services	\$ 181,017	\$ 154,459	\$ 181,017	\$ 154,459	
Operating Grants and Contributions	2,147,467	2,713,113	2,147,467	2,713,113	
General Revenue:					
Property Taxes	14,384,049	14,058,541	14,384,049	14,058,541	
Other	365,037	530,209	365,037	530,209	
Total Revenue	17,129,570	17,456,322	17,129,570	17,456,322	-1.87%
Expenses:					
Instruction	8,217,096	7,811,627	8,217,096	7,811,627	
Pupil & Instruction Services	2,508,027	2,757,850	2,508,027	2,757,850	
Administrative and Business	1,494,854	1,761,062	1,494,854	1,761,062	
Maintenance & Operations	1,239,922	1,141,105	1,239,922	1,141,105	
Transportation	469,675	814,872	469,675	814,872	
Other	109,290	11,855	109,290	11,855	
Total Expenses	14,038,864	14,298,371	14,038,864	14,298,371	-1.81%
Change in Net Position	<u>\$ 3,090,706</u>	<u>\$ 3,157,951</u>	<u>\$ 3,090,706</u>	<u>\$ 3,157,951</u>	-2.13%

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, 2025**

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	
	2024/2025	2023/2024	2024/2025	2023/2024
Instruction	\$ 8,217,096	\$ 7,811,627	\$ 6,329,779	\$ 5,350,540
Pupil & Instruction Services	2,508,027	2,757,850	2,415,424	2,675,101
Administrative and Business	1,494,854	1,761,062	1,372,307	1,631,470
Maintenance & Operations	1,239,922	1,141,105	1,128,869	1,108,325
Transportation	469,675	814,872	302,711	653,508
Other	109,290	11,855	109,290	11,855
Total	<u>\$ 14,038,864</u>	<u>\$ 14,298,371</u>	<u>\$ 11,658,380</u>	<u>\$ 11,430,799</u>

Financial Analysis of the District's Funds

The District's financial position is sound despite the significant reduction in State aid across the State 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 2024/2025.

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, 2025**

Capital Assets

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Total School District		Total Percentage Change 2024/2025
	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025
Land	\$ 1,029,555	\$ 1,029,555	\$ 1,029,555	\$ 1,029,555	0.00%
Site Improvements	44,372	1,069	44,372	1,069	4050.80%
Buildings & Building Improvements	3,725,245	2,934,371	3,725,245	2,934,371	26.95%
Machinery and Equipment	358,837	261,763	358,837	261,763	37.08%
Total Capital Assets, Net	<u>\$ 5,158,009</u>	<u>\$ 4,226,758</u>	<u>\$ 5,158,009</u>	<u>\$ 4,226,758</u>	22.03%

Depreciation expense for Governmental Activities totaled \$271,427 in 2024/2025.

Long-Term Liabilities

At year-end, the District had \$2,173,126 of net pension liability, and \$405,860 in other long-term liabilities outstanding – an increase of \$115,079 from last year – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 8 to the basic financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage Change 2024/2025
	2024/2025	2023/2024	2024/2025
Net Pension Liability	\$ 2,173,126	\$ 2,036,636	
Other Long Term Liabilities	405,860	427,271	
Total	<u>\$ 2,578,986</u>	<u>\$ 2,463,907</u>	4.67%

**FAIRFIELD BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

Factors Bearing on the District's Economic Future

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

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

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

FAIRFIELD BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Governmental Activities</u>
ASSETS:	
Cash and Cash Equivalents	\$ 1,670,727
Receivables:	
Other Governments	234,310
Restricted Cash and Cash Equivalents	7,092,823
Capital Assets:	
Sites (Land)	1,029,555
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	<u>4,128,454</u>
Total Assets	<u>14,155,869</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflows Related to Pensions	<u>592,567</u>
Total Deferred Outflows of Resources	<u>592,567</u>
LIABILITIES:	
Accounts Payable	259,109
Payable to Federal Government	1,458
Unearned Revenue	16,282
Non-Current Liabilities:	
Due Beyond One Year	<u>2,578,986</u>
Total Liabilities	<u>2,855,835</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Inflows Related to Pensions	<u>345,203</u>
Total Deferred Inflows of Resources	<u>345,203</u>
NET POSITION:	
Net Investment in Capital Assets	5,158,009
Restricted for:	
Student Activities	52,714
Capital Projects	6,890,109
Maintenance Reserve	150,000
Excess Surplus	500,000
Designed for Subsequent Year's Expenditures	653,940
Unrestricted/(Deficit)	<u>(1,857,374)</u>
Total Net Position	<u>\$ 11,547,398</u>

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

FAIRFIELD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	\$ 5,247,085	\$ 76,100	\$ (145,748)		\$ (5,316,733)	\$ (5,316,733)
Special Education	2,070,205	13,313	1,635,232		(421,660)	(421,660)
Other Special Instruction	898,999		308,420		(590,579)	(590,579)
Other Instruction	807				(807)	(807)
Support Services:						
Tuition	68,662				(68,662)	(68,662)
Student & Instruction Related Services	2,439,365	91,604	999		(2,346,762)	(2,346,762)
General Administrative Services	493,928				(493,928)	(493,928)
School Administrative Services	564,058		122,547		(441,511)	(441,511)
Central Services	436,079				(436,079)	(436,079)
Plant Operations and Maintenance	1,239,922		59,053	\$ 52,000	(1,128,869)	(1,128,869)
Pupil Transportation	469,675		166,964		(302,711)	(302,711)
Transfer to Charter Schools	109,290				(109,290)	(109,290)
Total Governmental Activities	14,038,864	181,017	2,147,467	52,000	(11,658,380)	(11,658,380)

FAIRFIELD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Functions/Programs	Program Revenue			Net (Expense)/Revenue and Changes in Net Position	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
	Expenses			Governmental Activities	Total
Total Primary Government	\$ 14,038,864	\$ 181,017	\$ 2,147,467	\$ (11,658,380)	\$ (11,658,380)
General Revenue:					
Taxes:					
				14,384,049	14,384,049
				365,037	365,037
				14,749,086	14,749,086
				3,090,706	3,090,706
				8,456,692	8,456,692
				\$ 11,547,398	\$ 11,547,398

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, 2025

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$ 1,670,727		\$ 1,670,727
Receivables From State Government	212,835		212,835
Receivables From Federal Governments		\$ 21,475	21,475
Interfund Receivable	5,235		5,235
Restricted Cash and Cash Equivalents	7,040,109	52,714	7,092,823
Total Assets	<u>\$ 8,928,906</u>	<u>\$ 74,189</u>	<u>\$ 9,003,095</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 9,109		\$ 9,109
Interfunds Payable		\$ 5,235	5,235
Payable to Federal Government		1,458	1,458
Unearned Revenue	1,500	14,782	16,282
Total Liabilities	<u>10,609</u>	<u>21,475</u>	<u>32,084</u>
Fund Balances:			
Restricted:			
Capital Reserve Account	6,890,109		6,890,109
Maintenance Reserve Account	150,000		150,000
Excess Surplus - 2026-2027	500,000		500,000
Student Activities		52,714	52,714
Legally Restricted - Subsequent Year's Expenditures	653,940		653,940
Assigned:			
Year-End Encumbrances	315,427		315,427
Subsequent Year's Expenditures	41,970		41,970
Unassigned	366,851		366,851
Total Fund Balances	<u>8,918,297</u>	<u>52,714</u>	<u>8,971,011</u>
Total Liabilities and Fund Balances	<u>\$ 8,928,906</u>	<u>\$ 74,189</u>	

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.

5,158,009

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	342,567
Deferred Inflows	(345,203)

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

(2,578,986)

Net Position of Governmental Activities

\$ 11,547,398

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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 14,384,049			\$ 14,384,049
Tuition	89,413			89,413
Rents and Royalties	9,500			9,500
Miscellaneous	355,537	\$ 129,565		485,102
Total - Local Sources	14,838,499	129,565		14,968,064
State Sources	4,540,532		\$ 52,000	4,592,532
Federal Sources		336,680		336,680
Total Revenues	19,379,031	466,245	52,000	19,897,276
EXPENDITURES:				
Current:				
Regular Instruction	3,687,247	216,697		3,903,944
Special Education Instruction	1,370,787	157,944		1,528,731
Other Special Instruction	657,207			657,207
Support Services and Undistributed Costs:				
Tuition	68,662			68,662
Student & Instruction Related Services	1,751,358	143,799		1,895,157
General Administrative Services	397,520			397,520
School Administrative Services	421,281			421,281
Central Services	328,920			328,920
Plant Operations and Maintenance	1,195,919			1,195,919
Pupil Transportation	448,442			448,442
Unallocated Benefits	5,871,809			5,871,809
Capital Outlay	396,680		665,575	1,062,255
Transfer of Funds to Charter Schools	109,290			109,290
Total Expenditures	16,705,122	518,440	665,575	17,889,137
Excess/(Deficiency) of Revenue over/(under) Expenditures	2,673,909	(52,195)	(613,575)	2,008,139
OTHER FINANCING SOURCES/(USES):				
Transfers to Cover Deficit (Enterprise Fund)	(16,418)			(16,418)
Transfers In/(Out)	(613,575)		613,575	
Total Other Financing Sources/(Uses)	(629,993)		613,575	(16,418)
Net Change in Fund Balances	2,043,916	(52,195)		1,991,721
Fund Balance - July 1	6,874,381	104,909	-0-	6,979,290
Fund Balance - June 30	\$ 8,918,297	\$ 52,714	\$ -0-	\$ 8,971,011

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

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)

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	\$ (271,427)
Capital Outlays	<u>1,202,678</u>
	931,251

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	(136,490)
Change in Deferred Outflows	201,874
Change in Deferred Inflows	80,939
Change in Net Position of Governmental Activities (Exhibit A-2)	\$ 3,090,706

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, 2025

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, 2025
(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, 2025
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following governmental funds: (Cont'd)

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

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

C. Measurement Focus and Basis of Accounting:

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

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

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

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

D. Budgets/Budgetary Control:

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

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(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, 2025 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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 19,388,017	\$ 441,400
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.		38,367
Prior Year Encumbrances Cancelled		(8)
Current Year Encumbrances		(13,514)
Prior Year State Aid Payments Recognized for GAAP Statements		
not Recognized for Budgetary Purposes	92,979	
Current Year State Aid Payments Recognized for Budgetary Purposes,		
not Recognized for GAAP Statements	<u>(101,965)</u>	
Total Revenues as Reported on the Statement of Revenues,		
Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 19,379,031</u>	<u>\$ 466,245</u>

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 16,705,122	\$ 493,595
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.		24,845
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 16,705,122</u>	<u>\$ 518,440</u>

E. Cash and Cash Equivalents, and Investments:

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

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

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

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

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2025
(Continued)

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

K. Capital Assets: (Cont'd)

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

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

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

L. Lease Assets:

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

M. Subscription Assets

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

N. Long Term Liabilities:

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

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2025.

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

P. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

Q. Lease Payable:

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

R. Subscription Payable

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

S. Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: Of the \$8,918,297 General Fund fund balance at June 30, 2025, \$6,890,109 is restricted in the capital reserve account; \$150,000 is restricted in the maintenance reserve account; \$500,000 is restricted as prior year excess surplus and included as anticipated revenue for the year ending June 30, 2027; \$653,940 is legally restricted as unexpended balance of the ballot question from the prior year and is included as anticipated revenue for the year ending June 30, 2026; \$315,427 is assigned for encumbrances; \$41,970 is assigned for subsequent year's expenditures; and \$366,851 is unassigned which is \$101,965 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, 2026.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2025 is \$52,714 and is restricted for student activities.

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

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

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$101,965 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last state aid payments.

U. Deficit Net Position:

The District has a \$1,857,374 deficit in its governmental activities unrestricted net position at June 30, 2025 primarily as a result of the net pension liability and compensated absences payable. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2025.

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

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

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

V. Net Position: (Cont'd)

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

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

W. Fund Balance Restrictions, Commitments and Assignments:

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

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

The Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources in June 30, 2025.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2025.

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

X. Revenue - Exchange and Nonexchange Transactions:

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

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

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

Y. Management Estimates:

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

Z. Pensions:

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

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 in the section of this note on investments.

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

Deposits:

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

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

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

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

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

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

Investments:

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

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

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

Investments: (Cont'd)

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

As of June 30, 2025, 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	\$ 1,670,727	\$ 7,092,823	\$ 8,763,550
	<u>\$ 1,670,727</u>	<u>\$ 7,092,823</u>	<u>\$ 8,763,550</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was \$8,763,550 and the bank balance was \$9,024,546. The District did not hold any investments during the fiscal year ended June 30, 2025.

NOTE 4. RESTRICTED FUND BALANCE – LEGALLY RESTRICTED

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

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 5. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amount or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Balance at June 30, 2024		\$ 5,088,557
Increased by:		
Transfer by Board Resolution June 2025	\$ 2,732,171	
Unexpended Balance of Budgeted Withdrawal	<u>270,381</u>	
Total Additions to Capital Reserve:		3,002,552
Decreased by:		
Budgeted Withdrawal from Capital Reserve		<u>(1,201,000)</u>
Balance at June 30, 2025		<u>\$ 6,890,109</u>

The June 30, 2025 LRFP balance of local support costs of uncompleted capital projects exceeds the balance in the capital reserve account at June 30, 2025. The withdrawal from the Capital Reserve Account was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2025, the District had \$99,260 of transfers to facilities acquisition and construction services which required county approval. The District received county approval.

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 7. CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 96,909
Special Education	36,028
Other Instruction	17,273
Student and Instruction Related Services	47,834
General Administrative Services	10,448
School Administrative Services	11,072
Central Services	8,645
Administrative Information Technology	789
Plant Operations and Maintenance	30,643
Pupil Transportation	11,786
Total Depreciation Expense	<u>\$ 271,427</u>

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 1,029,555			\$ 1,029,555
Construction in Progress		\$ 665,575	\$ (665,575)	
Total Capital Assets not Being Depreciated	1,029,555	665,575	(665,575)	1,029,555
Capital Assets Being Depreciated				
Site Improvements	26,906	43,500		70,406
Buildings and Building Improvements	8,886,672	326,040	665,575	9,878,287
Machinery and Equipment	1,313,423	167,563		1,480,986
Total Capital Assets Being Depreciated	10,227,001	537,103	665,575	11,429,679
Governmental Activities Capital Assets	11,256,556	1,202,678		12,459,234
Less Accumulated Depreciation for:				
Site Improvements	(25,837)	(197)		(26,034)
Buildings and Building Improvements	(5,952,301)	(200,741)		(6,153,042)
Machinery and Equipment	(1,051,660)	(70,489)		(1,122,149)
Total Accumulated Depreciation	(7,029,798)	(271,427)		(7,301,225)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 4,226,758</u>	<u>\$ 931,251</u>	<u>\$ -0-</u>	<u>\$ 5,158,009</u>

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2025, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2024	Issued/ Accrued	Retired	Balance 6/30/2025
Compensated Absences Payable	\$ 427,271		\$ 21,411	\$ 405,860
Net Pension Liability	2,036,636	\$ 136,490		2,173,126
	<u>\$ 2,463,907</u>	<u>\$ 136,490</u>	<u>\$ 21,411</u>	<u>\$2,578,986</u>

A. Bonds Payable:

As of June 30, 2025, the Board had no unamortized bond issuance premiums.

B. Bonds Authorized But Not Issued:

As of June 30, 2025, the Board has no bonds authorized but not issued.

C. Financed Purchase Payable:

As of June 30, 2025, the Board has no financed purchases payable.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. The current portion of the compensated absences balance of the governmental funds is \$-0- and is separated from the long-term portion of \$405,860.

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, 2025 is \$-0- and the long term portion is \$2,173,126. See Note 9 for further information on the PERS.

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

Service retirement benefits of 1/55th 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 Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

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 have determined the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being 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 is adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$217,621 for the current fiscal year. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$7,006 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2025, the District reported a liability of \$2,173,126 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

At June 30, 2024, the District's proportion was 0.01599%, which was an increase of 0.0001% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized an actual pension benefit of \$71,297 related to the District's proportionate share of the pension liability. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense on behalf of the District in the amount of \$7,006 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2025.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2020	5.16		\$ (15,792)
	2021	5.13	\$ 2,700	
	2022	5.04		(8,933)
			<u>2,700</u>	<u>(24,725)</u>
Difference between Expected and Actual Experience	2020	5.16	880	
	2021	5.13		(2,147)
	2022	5.04		(3,638)
	2023	5.08	11,178	
	2024	5.08	31,474	
			<u>43,532</u>	<u>(5,785)</u>
Changes in Proportion	2020	5.16	38	
	2021	5.13		(19,618)
	2022	5.04	60,683	
	2023	5.08		(194,313)
	2024	5.08	235,614	
			<u>296,335</u>	<u>(213,931)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2021	5.00		(149,172)
	2022	5.00		236,637
	2023	5.00		(61,364)
	2024	5.00		(126,863)
				<u>(100,762)</u>
District Contribution Subsequent to the Measurement Date	2025	1.00	250,000	
			<u>\$ 592,567</u>	<u>\$ (345,203)</u>

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

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2025	\$ (92,264)
2026	71,392
2027	(41,074)
2028	(23,711)
2029	617
	<u>\$ (85,040)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2024 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, 2024		
	At 1% Decrease (6.00%)	Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 2,887,550	\$ 2,173,126	\$ 1,565,155

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.nj.gov/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following table represents the membership tiers for TPAF.

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

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and to Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in the amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2025, the State of New Jersey contributed \$2,314,121 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of (\$96,528).

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

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

At June 30, 2025, the State's proportionate share of the net pension liability associated with the District was \$26,461,582. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.0535%, which was an decrease of 0.0010% from its proportion measured as of June 30, 2023.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>26,461,582</u>
Total	<u><u>\$ 26,461,582</u></u>

For the fiscal year ended June 30, 2024, the State recognized pension expense on behalf of the District in the amount of \$2,186,529 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements.

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

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	8.30		\$ 480,199,664
	2018	8.29		1,060,765,245
	2019	8.04		1,016,333,107
	2020	7.99	\$ 603,633,698	
	2021	7.93		7,317,559,989
	2022	7.83	67,989,902	
			<u>671,623,600</u>	<u>9,874,858,005</u>
Difference Between Expected and Actual Experience	2017	8.30	8,543,764	
	2018	8.29	186,086,527	
	2019	8.04		39,486,140
	2020	7.99		3,217,090
	2021	7.93	97,106,767	
	2022	7.83		12,735,529
	2023	7.93	144,751,819	
	2024	7.84		211,440,707
			<u>436,488,877</u>	<u>266,879,466</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2021	5.00		888,658,452
	2022	5.00		(1,659,667,329)
	2023	5.00		357,972,332
	2024	5.00		816,400,864
				<u>403,364,319</u>
			<u>\$ 1,108,112,477</u>	<u>\$ 10,545,101,790</u>

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2025	\$ (3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	(34,177,408)
	<u>\$ (9,436,989,313)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) 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, 2024 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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, 2025
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

The following presents the net pension liability of the State as of June 30, 2024 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, 2024		
	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	\$ 31,453,336	\$ 26,461,582	\$ 22,257,581

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 \$9,450 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to \$14,843 for the fiscal year ended June 30, 2025.

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 10. DEFERRED COMPENSATION

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

AXA Equitable

VALIC

NOTE 11. RISK MANAGEMENT

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

Property and Liability

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

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

Selected financial information for the Group as of June 30, 2025 was unavailable. Below is selected financial information for the group as of June 30, 2024 is as follows:

Total Assets	\$ 452,862,436
Net Position	\$ 208,313,945
Total Revenue	\$ 187,698,949
Total Expenses	\$ 178,093,729
Change in Net Position	\$ 9,605,220
Members Dividends	\$ -0-

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

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

New Jersey Schools Insurance Group

6000 Midlantic Drive
Mount Laurel, NJ 08054
(609) 386-6060
www.njsig.org

New Jersey Unemployment Compensation Insurance

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

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. TAX CALENDAR

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

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

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 14. INTERFUND RECEIVABLES, PAYABLES

The District had the following interfund payables or receivables on their various balance sheets as of June 30, 2025:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 5,235	
Special Revenue Fund		\$ 5,235
	<u>\$ 5,235</u>	<u>\$ 5,235</u>

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

NOTE 15. ACCOUNTS PAYABLE

At year end June 30, 2025, 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
Payroll Deductions	\$ 9,109		\$ 9,109
State of New Jersey		\$ 250,000	250,000
	<u>\$ 9,109</u>	<u>\$ 250,000</u>	<u>\$ 259,109</u>

NOTE 16. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Encumbrances

On the District's Governmental Fund Balance Sheet as of June 30, 2025, \$315,427 is assigned for year-end encumbrances in the General Fund, and \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is less than the actual year-end encumbrances on a budgetary basis of \$13,514. 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
<u>\$ 315,427</u>	<u>\$ 13,514</u>	<u>\$ 328,941</u>

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 16. COMMITMENTS AND CONTINGENCIES (Cont'd)

Litigation

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

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual local 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.nj.gov/treasury/pensions/gasb-notices-opeb.shtml>.

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

Employees Covered by Benefit Terms

At June 30, 2023, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	153,556
Active Plan Members	<u>219,185</u>
Total	<u><u>372,741</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024, was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

Actuarial Assumptions and Other Inputs

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

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 5.65%	2.75 - 6.55%	3.25 - 16.25%
	based on years	based on years	based on years
	of service	of service	of service

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

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

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return 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, 2025
(Continued)

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

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

	<u>Total OPEB Liability</u>
Balance at June 30, 2023	\$ 21,681,242
Changes for Year:	
Service Cost	778,376
Interest Cost	722,933
Changes in Assumptions	1,643,041
Differences between Expected and Actual Experience	(2,330,496)
Member Contributions	18,905
Gross Benefit Payments	<u>(552,116)</u>
Net Changes	<u>280,643</u>
Balance at June 30, 2024	<u><u>\$ 21,961,885</u></u>

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024, 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 was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2024</u>		
	At 1% Decrease <u>(2.93%)</u>	At Discount Rate <u>(3.93%)</u>	At 1% Increase <u>(4.93%)</u>
Total OPEB Liability Attributable to the District	\$ 25,722,071	\$ 21,961,885	\$ 18,904,779

FAIRFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024, 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 was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 18,294,410	\$ 21,961,885	\$ 26,739,013

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

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$162,171 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, 2024, 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, 2025

(Continued)

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

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

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ (421,177)
	2018	9.51		(514,189)
	2019	9.29	\$ 81,124	
	2020	9.24	2,092,660	
	2021	9.24	12,361	
	2022	9.13		(3,358,519)
	2023	9.30	30,502	
	2024	9.33	1,466,938	
			<u>3,683,585</u>	<u>(4,293,885)</u>
Differences Between Expected and Actual Experience	2018	9.51		(486,068)
	2019	9.29		(954,843)
	2020	9.24	1,950,442	
	2021	9.24		(2,377,113)
	2022	9.13	345,879	
	2023	9.30		(283,341)
	2024	9.33	52,244	
			<u>2,348,565</u>	<u>(4,101,365)</u>
Changes in Proportion	N/A	N/A	<u>273,184</u>	<u>(4,447,069)</u>
N/A - Not Available			<u>\$ 6,305,334</u>	<u>\$ (12,842,319)</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2025	\$ (779,013)
2026	(653,208)
2027	(310,253)
2028	81,540
2029	(566,154)
Thereafter	<u>(136,012)</u>
	<u>\$ (2,363,100)</u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's proportion of the net pension liability	0.0143091135%	0.0136906749%	0.0144787332%	0.0137743200%	0.0155985558%	0.0156040101%	0.1519558830%	0.0159838481%	0.0140609179%	0.0159929247%
District's proportionate share of the net pension liability	\$ 3,212,109	\$ 4,054,785	\$ 3,370,418	\$ 2,712,095	\$ 2,810,623	\$ 2,544,606	\$ 1,800,145	\$ 2,173,126	\$ 2,036,636	\$ 2,173,126
District's covered employee payroll	\$ 996,819	\$ 984,013	\$ 952,400	\$ 1,103,660	\$ 1,119,166	\$ 1,113,589	\$ 1,144,482	\$ 1,085,911	\$ 1,194,496	\$ 1,221,339
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	322.24%	412.07%	353.89%	245.74%	251.14%	228.50%	157.29%	200.12%	170.50%	177.93%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	\$ 135,635	\$ 136,391	\$ 134,130	\$ 137,010	\$ 152,054	\$ 170,700	\$ 177,958	\$ 201,564	\$ 187,928	\$ 217,619
Contributions in relation to the contractually required contribution	(135,635)	(136,391)	(134,130)	(137,010)	(152,054)	(170,700)	(177,958)	(201,564)	(187,928)	(217,619)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 984,013	\$ 952,400	\$ 1,103,660	\$ 1,119,166	\$ 1,113,589	\$ 1,144,482	\$ 1,085,911	\$ 1,194,496	\$ 1,221,339	\$ 1,311,386
Contributions as a percentage of covered employee payroll	13.78%	14.32%	12.15%	12.24%	13.65%	14.92%	16.39%	16.87%	15.39%	16.59%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's proportion of the net pension liability attributable to the District	0.0496958788%	0.0479022721%	0.0467784172%	0.0496583242%	0.0490438559%	0.0507649212%	0.0500498980%	0.0541005061%	0.0544961692%	0.0535387450%
State's proportionate share of the net pension liability attributable to the District	\$ 31,409,905	\$ 37,682,977	\$ 31,539,696	\$ 31,591,559	\$ 30,098,677	\$ 33,428,090	\$ 24,061,583	\$ 27,912,840	\$ 27,810,850	\$ 26,461,582
Districts covered employee payroll	\$ 4,845,198	\$ 4,932,642	\$ 5,134,357	\$ 5,358,831	\$ 5,637,881	\$ 5,993,043	\$ 6,197,283	\$ 6,308,370	\$ 6,402,971	\$ 6,293,565
State's proportionate share of the net pension liability attributed to the District as a percentage of its covered employee payroll	648.27%	763.95%	614.29%	589.52%	533.87%	557.78%	388.26%	442.47%	434.34%	420.45%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	\$ 1,917,857	\$ 2,831,351	\$ 2,184,910	\$ 1,841,677	\$ 1,775,300	\$ 2,078,701	\$ 566,180	\$ 751,213	\$ 683,232	\$ 2,314,121
Contributions in relation to the contractually required contribution	(383,524)	(507,768)	(731,291)	(964,574)	(1,113,469)	(1,454,890)	(2,227,132)	(2,227,836)	(2,281,465)	(2,186,529)
Contribution deficiency/(excess)	\$ 1,534,333	\$ 2,323,583	\$ 1,453,619	\$ 877,103	\$ 661,831	\$ 623,811	\$ (1,660,952)	\$ (1,476,623)	\$ (1,598,233)	\$ 127,592
District's covered employee payroll	\$ 4,932,642	\$ 5,134,357	\$ 5,358,831	\$ 5,637,881	\$ 5,993,043	\$ 6,197,283	\$ 6,308,370	\$ 6,402,971	\$ 6,293,565	\$ 6,185,570
Contributions as a percentage of covered employee payroll	38.88%	55.15%	40.77%	32.67%	29.62%	33.54%	8.98%	11.73%	10.86%	37.41%

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 963,147	\$ 798,815	\$ 774,152	\$ 850,789	\$ 1,276,519	\$ 1,016,055	\$ 736,009	\$ 778,376
Interest Cost	758,803	873,673	844,258	687,804	680,662	563,849	763,587	722,933
Change of Benefit Terms					(27,928)			
Differences between Expected and Actual Experience		(1,231,137)	(3,607,869)	4,205,950	(4,918,916)	(294,045)	(562,846)	(2,330,496)
Changes in Assumptions	(3,236,996)	(2,446,843)	284,029	5,429,069	25,887	(5,707,599)	43,700	1,643,041
Member Contributions	20,365	19,705	17,334	15,683	17,401	17,917	19,568	18,905
Gross Benefit Payments	(553,071)	(570,154)	(584,762)	(517,424)	(536,171)	(558,510)	(595,228)	(552,116)
Net Change in Total OPEB Liability	(2,047,752)	(2,555,941)	(2,272,858)	10,671,871	(3,482,546)	(4,962,333)	404,790	280,643
Total OPEB Liability - Beginning	25,926,011	23,878,259	21,322,318	19,049,460	29,721,331	26,238,785	21,276,452	21,681,242
Total OPEB Liability - Ending	<u>\$23,878,259</u>	<u>\$21,322,318</u>	<u>\$19,049,460</u>	<u>\$29,721,331</u>	<u>\$26,238,785</u>	<u>\$21,276,452</u>	<u>\$21,681,242</u>	<u>\$21,961,885</u>
State's Covered Employee Payroll *	\$ 5,916,655	\$ 6,086,757	\$ 6,462,491	\$ 6,757,047	\$ 7,106,632	\$ 7,341,765	\$ 7,394,281	\$ 7,597,467
Total OPEB Liability as a Percentage of Covered Employee Payroll	404%	350%	295%	440%	369%	290%	293%	289%

* - Covered payroll for the fiscal years ending June 30, 2017 to 2024 are based on the payroll on the June 30, 2016 to 2023 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, 2025

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2023 actuarial valuation the salary increases were 2.75 – 5.65% based on years of service while in the July 1, 2022 actuarial valuation the salary increases were 2.75% – 4.25% based on years of service.

C. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2024 was 3.93%. The discount rate for June 30, 2023 was 3.65%, a change of .28%.

The health care trend rates in the valuation as of June 30, 2024 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BUDGETARY COMPARISON SCHEDULES

FAIRFIELD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 14,384,049		\$ 14,384,049	\$ 14,384,049	\$ 16,100
Tuition From Individuals	60,000		60,000	76,100	13,313
Tuition From Other LEAs Within the State				13,313	
Rents and Royalties	9,500		9,500	9,500	
Unrestricted Miscellaneous Revenues	5,000		5,000	355,537	350,537
Total Revenues from Local Sources	14,458,549		14,458,549	14,838,499	379,950
Revenues from State Sources:					
Categorical Transportation Aid	148,937		148,937	148,937	
Categorical Special Education Aid	820,830		820,830	820,830	
Categorical Security Aid	61,742		61,742	61,742	
Extraordinary Aid				170,789	170,789
Menstrual Product Reimbursement				999	999
Nonpublic Transportation Aid				18,213	18,213
TPAF Post Retirement Contributions (Non-Budgeted)				646,820	646,820
TPAF Pension Contributions (Non-Budgeted)				2,186,529	2,186,529
TPAF Non-Contributory Insurance (Non-Budgeted)				27,085	27,085
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,091	1,091
Reimbursed TPAF Social Security Contributions				466,483	466,483
Total Revenues from State Sources	1,031,509		1,031,509	4,549,518	3,518,009
TOTAL REVENUE	15,490,058		15,490,058	19,388,017	3,897,959

FAIRFIELD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 422,517		\$ 422,517	\$ 419,483	\$ 3,034
Grades 1-5 - Salaries of Teachers	2,969,651	\$ (18,126)	2,951,525	2,492,828	458,697
Grades 6-8 - Salaries of Teachers	427,444	18,126	445,570	432,069	13,501
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	1,618	6,618	6,618	
Purchased Professional-Educational Services	5,000	(1,618)	3,382		3,382
Purchased Technical Services	6,365	(6,365)			
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	76,970		76,970	68,590	8,380
Purchased Professional-Educational Services	9,938	6,365	16,303	6,365	9,938
Other Purchased Services (400-500 series)	148,783		148,783	96,364	52,419
General Supplies	206,421	(7,085)	199,336	127,948	71,388
Textbooks	4,500	105,385	109,885	36,332	73,553
Other Objects	950	550	1,500	650	850
Total Regular Programs - Instruction	4,283,539	98,850	4,382,389	3,687,247	695,142
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	167,600	(4,049)	163,551	160,826	2,725
General Supplies	500	8,420	8,920	908	8,012
Total Multiple Disabilities	168,100	4,371	172,471	161,734	10,737
Resource Room/Resource Center:					
Salaries of Teachers	871,840	(1,977)	869,863	861,448	8,415
General Supplies	4,248	(1,214)	3,034	1,684	1,350
Total Resource Room/Resource Center	876,088	(3,191)	872,897	863,132	9,765

FAIRFIELD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 245,012	\$ 29,698	\$ 274,710	\$ 272,552	\$ 2,158
Other Salaries for Instruction	99,900		99,900	73,308	26,592
General Supplies		2,811	2,811	61	2,750
Total Preschool Disabilities - Part-Time	344,912	32,509	377,421	345,921	31,500
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,389,100	33,689	1,422,789	1,370,787	52,002
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	501,242		501,242	496,596	4,646
Other Purchased Services (400-500 series)	11,360		11,360	10,836	524
General Supplies	10,850	255	11,105	11,097	8
Other Objects	1,000	(382)	618	150	468
Total Basic Skills/Remedial - Instruction	524,452	(127)	524,325	518,679	5,646
Bilingual Education - Instruction:					
Salaries of Teachers	106,007	127	106,134	106,134	
General Supplies	1,334		1,334	263	1,071
Total Bilingual Education - Instruction	107,341	127	107,468	106,397	1,071
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	25,587	7,471	33,058	31,111	1,947
Supplies and Materials	5,500	(4,471)	1,029		1,029
Other Objects	7,000	(3,000)	4,000	1,020	2,980
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	38,087		38,087	32,131	5,956
TOTAL INSTRUCTION	6,342,519	132,539	6,475,058	5,715,241	759,817

FAIRFIELD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Undistributed Expenditures - Instruction:					
Tuition to Priv. Sch. for the Handicap. W/I State	\$ 716,856	\$ (306,550)	\$ 410,306	\$ 68,662	\$ 341,644
Total Undistributed Expenditures - Instruction	716,856	(306,550)	410,306	68,662	341,644
Undistributed Expenditures - Health Services:					
Salaries	255,980	4,466	260,446	258,996	1,450
Purchased Professional and Technical Services	5,000	(4,466)	534		534
Other Purchased Services (400-500 series)	1,105	(200)	905	805	100
Supplies and Materials	3,000	1,320	4,320	4,216	104
Other Objects	300	(120)	180		180
Total Undist. Expenditures - Health Services	265,385	1,000	266,385	264,017	2,368
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	381,813	65,076	446,889	409,398	37,491
Purchased Professional - Educational Services	169,000		169,000	17,673	151,327
Supplies and Materials	3,388	2,000	5,388	5,264	124
Total Undist. Expend. - Speech, OT, PT, Related Svcs	554,201	67,076	621,277	432,335	188,942
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	291,746		291,746	242,214	49,532
Purchased Professional - Educational Services	12,000	98,000	110,000	44,555	65,445
Supplies and Materials	400		400		400
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	304,146	98,000	402,146	286,769	115,377
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	160,550	700	161,250	142,070	19,180
Supplies and Materials	500		500	50	450
Total Undist Expend. - Guidance	161,050	700	161,750	142,120	19,630

FAIRFIELD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	\$ 347,927	\$ (92,064)	\$ 255,863	\$ 255,863	
Salaries of Secretarial and Clerical Assistants	55,913		55,913	55,805	\$ 108
Other Salaries	8,000	2,870	10,870	10,870	
Purchased Professional - Educational Services	10,900	(6,120)	4,780	350	4,430
Other Purchased Prof. and Tech. Services	16,450		16,450	11,271	5,179
Other Purchased Services (400-500 series)	4,700		4,700	3,648	1,052
Supplies and Materials	4,427		4,427	1,467	2,960
Other Objects	2,000		2,000	1,985	15
Total Undist Expend. - Child Study Team	450,317	(95,314)	355,003	341,259	13,744
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	85,633		85,633	84,603	1,030
Total Undist. Expend.-Improv. of Inst. Serv.	85,633		85,633	84,603	1,030
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	65,666		65,666	33,867	31,799
Salaries of Technology Coordinators	142,000		142,000	142,000	
Other Purchased Services (400-500 series)	23,228		23,228	11,060	12,168
Supplies and Materials	2,506		2,506	1,503	1,003
Other Objects	1,000		1,000		1,000
Total Undist Expend-Edu. Media Serv./Sch. Library	234,400		234,400	188,430	45,970
Undist.Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	5,700		5,700	4,965	735
Other Purchased Services (400-500 series)	9,000	987	9,987	6,860	3,127
Total Undist.Expend.-Instructional Staff Training Services	14,700	987	15,687	11,825	3,862

FAIRFIELD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 303,960	\$ (45,500)	\$ 258,460	\$ 258,337	\$ 123
Legal Services	45,000	14,100	59,100	52,265	6,835
Audit Fees	33,000		33,000	30,600	2,400
Other Purchased Professional Services	4,000	2,000	6,000	4,133	1,867
Purchased Technical Services	4,100		4,100	3,248	852
Communications / Telephone	44,585	(2,000)	42,585	32,595	9,990
BOE Other Purchased Services	6,800		6,800	3,455	3,345
Other Purch. Serv. (400-500 series other than 530 & 585)	12,861		12,861	2,880	9,981
General Supplies	3,300		3,300	283	3,017
BOE In-house training/ Meeting Supplies	250		250		250
Miscellaneous Expenditures	4,500		4,500	3,319	1,181
BOE Membership Dues and Fees	6,500		6,500	6,405	95
Total Undist. Expend.-Support Serv.-Gen. Admin.	468,856	(31,400)	437,456	397,520	39,936
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/ Assistant Principals/Program Director	247,814		247,814	239,488	8,326
Salaries of Other Professional Staff	65,916	2,800	68,716	65,221	3,495
Salaries of Secretarial and Clerical Assistants	94,944		94,944	86,444	8,500
Purchased Professional and Technical Services	17,500		17,500	17,271	229
Other Purchased Services (400-500 series)	11,749	(987)	10,762	8,435	2,327
Supplies and Materials	4,851		4,851	3,532	1,319
Other Objects	2,000		2,000	890	1,110
Total Undist. Expend.-Support Serv.-School Adm.	444,774	1,813	446,587	421,281	25,306

FAIRFIELD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Undist. Expend. - Central Services:					
Salaries	\$ 307,774	\$ 28,600	\$ 336,374	\$ 312,339	\$ 24,035
Purchased Professional Services	30,500		30,500	2,143	28,357
Miscellaneous Purchased Services (400-500 series other than 594)	6,830		6,830	6,438	392
Supplies and Materials	7,838		7,838	6,435	1,403
Interest on Lease Purchase Agreements	5,106		5,106		5,106
Other Objects	2,300		2,300	1,565	735
Total Undist. Expend. - Central Services	360,348	28,600	388,948	328,920	60,028
Undist. Expend. - Admin. Info. Technology:					
Other Purchased Services (400-500 series)	37,955		37,955	30,012	7,943
Total Undist. Expend. - Admin. Info. Technology	37,955		37,955	30,012	7,943
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	99,913		99,913	98,590	1,323
Unused Vacation Payment to Terminated/Retired Staff	11,307		11,307		11,307
Cleaning, Repair, and Maintenance Services	274,967		274,967	209,291	65,676
General Supplies	42,500		42,500	14,109	28,391
Other Objects	16,350		16,350	10,682	5,668
Total Undist. Expend.- Required Maint. for School Facilities	445,037		445,037	332,672	112,365

FAIRFIELD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Undist. Expend.-Custodial Services:					
Salaries	\$ 450,871		\$ 450,871	\$ 423,686	\$ 27,185
Cleaning, Repair, and Maintenance Services	20,400		20,400	5,057	15,343
Other Purchased Property Services	26,000		26,000	13,848	12,152
Insurance	102,000		102,000	90,983	11,017
General Supplies	57,903		57,903	6,723	51,180
Energy (Natural Gas)	143,000	\$ (20,800)	122,200	62,345	59,855
Energy (Electricity)	125,000	20,800	145,800	128,543	17,257
Energy (Gasoline)	4,000		4,000	3,183	817
Total Undist. Expend.-Custodial Services	929,174		929,174	734,368	194,806
Security:					
Purchased Professional and Technical Services	121,810		121,810	97,799	24,011
Cleaning, Repair, and Maintenance Services	12,000		12,000	734	11,266
General Supplies	4,000		4,000	334	3,666
Total Security	137,810		137,810	98,867	38,943
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	1,512,021		1,512,021	1,165,907	346,114
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	28,600	3,400	32,000	31,982	18
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	47,330	4,000	51,330	48,233	3,097
Contract. Serv.(Bet. Home & Sch.)-Vendors	236,890		236,890	188,679	48,211
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	11,700		11,700	7,265	4,435
Contract. Serv.(Spl. Ed. Students)-Vendors	554,620	(112,400)	442,220	172,283	269,937
Total Undist. Expend.-Student Trans. Serv.	879,140	(105,000)	774,140	448,442	325,698

FAIRFIELD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 186,176	\$ (2,621)	\$ 183,555	\$ 170,802	\$ 12,753
Other Retirement Contributions - PERS	215,000	2,621	217,621	217,621	
Other Retirement Contributions - Regular	27,800		27,800	9,450	18,350
Unemployment Compensation	40,710		40,710	32,261	8,449
Workers Compensation	85,000		85,000	76,619	8,381
Health Benefits	2,353,576	(2)	2,353,574	1,988,581	364,993
Tuition Reimbursement	20,000		20,000	12,479	7,521
Other Employee Benefits	49,000		49,000	4,050	44,950
Unused Sick Payment to Terminated/Retired Staff	49,320		49,320	31,938	17,382
TOTAL UNALLOCATED BENEFITS	3,026,582	(2)	3,026,580	2,543,801	482,779
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				646,820	(646,820)
TPAF Pension Contributions (Non-Budgeted)				2,186,529	(2,186,529)
TPAF Non-Contributory Insurance (Non-Budgeted)				27,085	(27,085)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,091	(1,091)
Reimbursed TPAF Social Security Contributions				466,483	(466,483)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				3,328,008	(3,328,008)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,026,582	(2)	3,026,580	5,871,809	(2,845,229)
TOTAL UNDISTRIBUTED EXPENDITURES	9,516,364	(340,090)	9,176,274	10,483,911	(1,307,637)
TOTAL GENERAL CURRENT EXPENSE	15,858,883	(207,551)	15,651,332	16,199,152	(547,820)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures - Central Services	4,599		4,599	4,599	
Undistributed Expenditures - Required Maintenance for School Facilities	13,382		13,382	13,382	
Total Equipment	17,981		17,981	17,981	

FAIRFIELD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Facilities Acquisition and Construction Serv.:					
Legal Services	\$ 2,500		\$ 2,500		\$ 2,500
Architectural/Engineering Services	210,321		210,321	\$ 106,624	103,697
Construction Services	1,201,000	\$ (514,315)	686,685	260,220	426,465
Lease Purchase Agreements - Principal	47,623		47,623		47,623
Assessment for Debt Service on SDA Funding	11,855		11,855	11,855	
Total Facilities Acquisition and Const. Serv.	1,473,299	(514,315)	958,984	378,699	580,285
TOTAL CAPITAL OUTLAY	1,491,280	(514,315)	976,965	396,680	580,285
Transfer of Funds to Charter Schools		109,290	109,290	109,290	
Total Transfer to Charter Schools		109,290	109,290	109,290	
TOTAL EXPENDITURES	17,350,163	(612,576)	16,737,587	16,705,122	32,465
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1,860,105)	613,575	(1,246,530)	2,682,895	3,929,425
Other Financing Sources/(Uses):					
Transfers to Capital Projects Fund - Capital Reserve		(613,575)	(613,575)	(613,575)	
Transfers to Cover Deficit - Food Service Fund	(31,000)		(31,000)	(16,418)	14,582
Total other Financing Sources/(Uses)	(31,000)	(613,575)	(644,575)	(629,993)	14,582
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(1,891,105)		(1,891,105)	2,052,902	3,944,007
Fund Balance, July 1	6,967,360		6,967,360	6,967,360	
Fund Balance, June 30	\$ 5,076,255	\$ -0-	\$ 5,076,255	\$ 9,020,262	\$ 3,944,007

FAIRFIELD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Legally Restricted - Designated for Subsequent Year's Expenditures				\$ 653,940	
Excess Surplus - Restricted For 2026-2027				500,000	
Capital Reserve				6,890,109	
Maintenance Reserve				150,000	
Assigned Fund Balance:					
Year End Encumbrances				315,427	
Designated for Subsequent Year's Expenditures				41,970	
Unassigned Fund Balance				468,816	
				<u>9,020,262</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(101,965)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 8,918,297</u>	

FAIRFIELD BOARD OF EDUCATION
COMBINING BUDGETARY SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 219,202	\$ 99,497	\$ 318,699	\$ 311,835	\$ (6,864)
Local Sources	111,159	78,711	189,870	129,565	(60,305)
Total Revenues	330,361	178,208	508,569	441,400	(67,169)
EXPENDITURES:					
Instruction					
Salaries		45,065	45,065	42,644	2,421
Tuition	158,809	(865)	157,944	157,944	
Other Purchased Services	20,000	14,996	34,996	34,996	
General Supplies	23,144	68,474	91,618	91,618	
Total Instruction	201,953	127,670	329,623	327,202	2,421
Support Services					
Salaries		3,088	3,088	3,088	
Employee Benefits	8,500	6,469	14,969	8,500	6,469
Other Purchased Professional Services	18,920	(7,438)	11,482	5,398	6,084
Other Purchased Services	1,000	4,608	5,608	5,608	
Supplies and Materials	99,988	43,811	143,799	143,799	
Student Activities					
Total Support Services	128,408	50,538	178,946	166,393	12,553
Total Expenditures	330,361	178,208	508,569	493,595	14,974
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ (52,195)	\$ (52,195)

FAIRFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 19,388,017	\$ 441,400
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Prior Year Encumbrances		38,367
Prior Year Encumbrances Cancelled		(8)
Current Year Encumbrances		(13,514)
Prior year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	92,979	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(101,965)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 19,379,031</u>	<u>\$ 466,245</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 16,705,122	\$ 493,595
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.		24,845
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 16,705,122</u>	<u>\$ 518,440</u>

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2025 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, 2025
(Continued)

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted on the previous page. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

FAIRFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	IDEA Part B,		High Impact	Elementary and Secondary Education Act		Student	Local Grant	Totals
	2025 Basic	2025 Preschool	Tutoring	2025 Title I	2025 Title II	Activities		June 30, 2025
REVENUE:								
Federal Sources	\$ 157,944	\$ 10,322	\$ 58,754	\$ 62,606	\$ 12,209	\$ 10,000	\$ 37,961	\$ 311,835
Local Sources								129,565
Total Revenue	157,944	10,322	58,754	62,606	12,209	10,000	37,961	441,400
EXPENDITURES:								
Instruction:								
Salaries			42,644					42,644
Tuition	157,944			32,787	2,209			157,944
Other Purchased Services				29,819	10,000	1,500		34,996
General Supplies		2,716	9,622				37,961	91,618
Total Instruction	157,944	2,716	52,266	62,606	12,209	1,500	37,961	327,202
Support Services:								
Employee Benefits			3,088			8500		3,088
Technical Services								8,500
Other Purchased Services		1,998	3,400					5,398
Supplies and Materials		5,608						5,608
Student Activities						143,799		143,799
Total Support Services		7,606	6,488			143,799		166,393
Total Expenditures	\$ 157,944	\$ 10,322	\$ 58,754	\$ 62,606	\$ 12,209	\$ 10,000	\$ 37,961	\$ 493,595

CAPITAL PROJECTS FUND

FAIRFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenue and Other Financing Sources:	
Transfer from General Fund - Capital Reserve	\$ 613,575
State Sources - SDA Grant	<u>52,000</u>
Total Revenues and Other Financing Sources	<u>665,575</u>
Expenditures:	
Construction Services	<u>665,575</u>
Total Expenditures	<u>665,575</u>
Fund Balance - Beginning Balance	<u>-0-</u>
Fund Balance - Ending Balance	<u><u>\$ -0-</u></u>

FAIRFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
PROJECT BALANCES AND PROJECT STATUS
BUDGETARY BASIS
ROD GRANT - WINSTON CHURCHILL ROOF PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Authorized Cost</u>
Revenue and Other Financing Sources:				
Transfers from Capital Reserve		\$ 613,575	\$ 613,575	\$ 613,575
State Sources - SDA Grant		52,000	52,000	52,000
Total Revenue and Other Financing Sources		<u>665,575</u>	<u>665,575</u>	<u>665,575</u>
Expenditures:				
Construction Services		<u>665,575</u>	<u>665,575</u>	<u>665,575</u>
Excess of Revenue and Other Financing Sources Over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
Additional Project Information:				
Project Number	1465-030-23-R501			
Original Authorized Cost	\$ 665,575			
Percentage Completion	100.00%			
Original Target Completion Date	June 30, 2025			

PROPRIETARY FUNDS
(NOT APPLICABLE)

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES
(NOT APPLICABLE)

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

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

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

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

J-14 thru J-15

Operating Information

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

J-16 thru J-20

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

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 6,357,873	\$ 7,168,636	\$ 7,412,201	\$ 7,199,573	\$ 6,860,678	\$ 7,031,298	\$ 5,571,387	\$ 5,512,710	\$ 5,185,305	\$ 5,247,085
Special Education	2,185,110	2,394,523	2,281,485	1,423,930	1,932,360	2,177,585	1,938,135	1,821,173	1,790,467	2,070,205
Other Special Education	636,496	832,853	944,978	1,080,272	1,076,142	1,048,952	922,254	1,070,173	780,314	898,999
Other Instruction	124,675	170,149	205,500	201,169	186,281	185,152	15,778	9,538	55,541	807
Support Services:										
Tuition	228,441	190,133		17,320	22,720	782	8,718	163,265	240,240	68,662
Student & Instruction Related Services	1,631,895	1,356,886	1,600,983	2,006,868	1,939,594	1,947,081	2,614,906	2,397,964	2,517,610	2,439,365
General & Business Administrative Services	447,705	469,307	553,570	547,904	534,134	600,113	802,803	648,698	651,369	493,928
School Administrative Services	627,866	693,929	551,977	580,610	667,926	697,779	731,015	662,491	615,347	564,058
Central Services	303,010	272,290	359,888	353,815	362,811	389,759	520,382	434,093	493,169	436,079
Administrative Technology Services		4,779	2,225			26,411	845	525	1,177	789
Plant Operations And Maintenance	1,112,433	1,284,650	1,262,544	1,118,327	1,273,132	1,058,299	1,645,962	1,870,470	1,141,105	1,239,922
Pupil Transportation	601,724	593,135	584,773	649,304	650,872	723,186	744,218	696,657	814,872	469,675
Capital Outlay	11,855									
Special Schools		38,786	28,469	24,765	21,021	17,239	13,438	13,438	11,855	
Interest On Long-Term Debt	30,347									
Transfer to Charter Schools										
Total Governmental Activities Expenses	\$ 14,299,430	\$ 15,470,056	\$ 15,788,594	\$ 15,203,857	\$ 15,527,671	\$ 15,903,636	\$ 15,529,841	\$ 15,301,195	\$ 14,298,371	\$ 14,038,864
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 25,000	\$ 97,107	\$ 165,408	\$ 99,108	\$ 111,718	\$ 133,164	\$ 155,702	\$ 258,880	\$ 154,459	\$ 181,017
Operating Grants and Contributions	3,397,663	4,165,300	4,609,867	3,915,179	3,931,785	4,356,106	3,846,136	3,175,125	2,713,113	2,147,467
Capital Grants and Contributions			(3,206)							52,000
Total Governmental Activities Program Revenues	\$ 3,422,663	\$ 4,262,407	\$ 4,772,069	\$ 4,014,287	\$ 4,043,503	\$ 4,489,270	\$ 4,001,838	\$ 3,434,005	\$ 2,867,572	\$ 2,380,484

FAIRFIELD BOARD OF EDUCATION
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED
(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expenses)/Revenue:										
Governmental Activities	\$ (10,876,767)	\$ (11,207,649)	\$ (11,016,525)	\$ (11,189,570)	\$ (11,484,168)	\$ (11,414,366)	\$ (11,528,003)	\$ (11,865,607)	\$ (11,430,799)	\$ (11,658,380)
Total District-Wide Net Expense	\$ (10,876,767)	\$ (11,207,649)	\$ (11,016,525)	\$ (11,189,570)	\$ (11,484,168)	\$ (11,414,366)	\$ (11,528,003)	\$ (11,865,607)	\$ (11,430,799)	\$ (11,658,380)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 10,487,978	\$ 10,708,159	\$ 11,102,556	\$ 11,378,705	\$ 11,662,035	\$ 11,895,276	\$ 12,133,182	\$ 12,375,846	\$ 14,058,541	\$ 14,384,049
Taxes Levied for Debt Service	147,447	141,772	145,801	93,220	40,599	85,700	81,900			
Federal and State Aid not Restricted	1,145	274	1,651							
Miscellaneous Income	44,487	56,916	47,860	190,344	148,293	331,923	158,340	145,557	530,209	365,037
Total Governmental Activities General Revenue and Other Changes in Net Position	10,681,057	10,907,121	11,297,868	11,662,269	11,850,927	12,312,899	12,373,422	12,521,403	14,588,750	14,749,086
Change in Net Position:										
Governmental Activities	\$ (195,710)	\$ (300,528)	\$ 281,343	\$ 472,699	\$ 366,759	\$ 898,533	\$ 845,419	\$ 655,796	\$ 3,157,951	\$ 3,090,706
Total District-Wide Change in Net Position	\$ (195,710)	\$ (300,528)	\$ 281,343	\$ 472,699	\$ 366,759	\$ 898,533	\$ 845,419	\$ 655,796	\$ 3,157,951	\$ 3,090,706

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Restricted	\$ 478,380	\$ 352,885	\$ 924,493	\$ 1,593,284	\$ 2,048,986	\$ 2,955,942	\$ 3,082,793	\$ 3,446,380	\$ 6,292,497	\$ 8,194,049
Assigned	47,521	136,497	51,987	12,941	51,451	41,646	40,495	277,538	290,105	357,397
Unassigned	221,200	173,693	230,669	269,180	240,484	424,592	457,765	318,579	291,779	366,851
Total General Fund	\$ 747,101	\$ 663,075	\$ 1,207,149	\$ 1,875,405	\$ 2,340,921	\$ 3,422,180	\$ 3,581,053	\$ 4,042,497	\$ 6,874,381	\$ 8,918,297
All Other Governmental Funds:										
Restricted			\$ 48,881	\$ 48,881	\$ 41,193	\$ 34,482	\$ 45,501	\$ 92,217	\$ 104,909	\$ 52,714
Committed	\$ 134,602	\$ 134,602	131,984				469,174	468,377		
Total All Other Governmental Funds	\$ 134,602	\$ 134,602	\$ 180,865	\$ 48,881	\$ 41,193	\$ 34,482	\$ 514,675	\$ 560,594	\$ 104,909	\$ 52,714
Total Governmental Funds:										
Restricted	\$ 478,380	\$ 352,885	\$ 973,374	\$ 1,642,165	\$ 2,090,179	\$ 2,990,424	\$ 3,128,294	\$ 3,538,597	\$ 6,397,406	\$ 8,246,763
Committed	134,602	134,602	131,984				469,174	468,377		
Assigned	47,521	136,497	51,987	12,941	51,451	41,646	40,495	277,538	290,105	357,397
Unassigned	221,200	173,693	230,669	269,180	240,484	424,592	457,765	318,579	291,779	366,851
Total Governmental Funds:	\$ 881,703	\$ 797,677	\$ 1,388,014	\$ 1,924,286	\$ 2,382,114	\$ 3,456,662	\$ 4,095,728	\$ 4,603,091	\$ 6,979,290	\$ 8,971,011

Source: Fairfield Township School District Financial Reports.

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024
Revenues										
Tax Levy	\$ 10,635,425	\$ 10,849,931	\$ 11,248,357	\$ 11,471,925	\$ 11,702,634	\$ 11,980,976	\$ 12,215,082	\$ 12,375,846	\$ 14,058,541	\$ 14,384,049
Tuition Charges	25,000	149,341	197,901	110,371	119,193	132,752	138,408	90,250	81,210	98,913
Miscellaneous	46,987	7,559	18,405	182,854	145,482	347,501	181,900	319,905	609,296	485,102
State Sources	1,671,177	1,668,304	2,076,691	2,337,594	2,542,888	2,970,709	3,912,215	4,283,348	4,486,328	4,592,532
Federal Sources	190,798	170,810	186,570	185,495	204,938	253,133	653,193	628,957	266,681	336,680
Total Revenue	12,569,387	12,845,945	13,727,924	14,288,239	14,715,135	15,685,071	17,100,798	17,698,306	19,502,056	19,897,276
Expenditures										
Instruction										
Regular Instruction	3,771,546	3,615,422	3,809,433	4,000,399	3,849,600	3,798,350	4,195,206	4,198,503	3,959,424	3,903,944
Special Education Instruction	1,215,102	1,265,519	1,221,560	846,559	1,124,158	1,280,894	1,478,677	1,370,487	1,391,669	1,528,731
Other Instruction	420,788	514,279	570,375	672,979	685,879	642,651	725,370	831,957	617,793	657,207
Support Services:										
Tuition	228,441	190,133		17,320	22,720	782	8,718	163,265	240,240	68,662
Student/Instruction Related Services	1,163,828	1,047,644	1,092,419	1,413,851	1,381,961	1,403,046	1,286,183	1,549,961	1,523,961	1,895,157
General Administrative Services	381,594	370,477	421,061	424,081	402,234	463,983	505,408	474,918	461,470	397,520
School Administrative Services	381,192	367,186	322,415	348,013	434,854	445,596	459,028	462,351	419,279	421,281
Other Administrative Services	246,833	190,392	251,118	254,958	248,773	278,424	292,448	286,672	308,511	328,920
Administrative Technology Services		4,620	2,156			25,630				
Plant Operations And Maintenance	824,979	1,037,439	1,001,486	1,030,557	1,056,163	871,371	1,145,463	1,193,624	1,165,608	1,195,919
Pupil Transportation	590,271	560,176	552,354	628,638	630,436	700,101	718,177	684,335	773,528	448,442
Unallocated Benefits	3,188,141	3,419,658	3,760,737	3,937,875	4,038,962	4,571,472	5,474,286	5,471,643	5,631,716	5,871,809
Undistributed Expenditures - Food Service		8,612	9,212	11,742	13,918					
Capital Outlay	92,679	105,578	26,341	71,775	319,359	42,523	82,679	718,772	610,979	1,062,255
Transfer to Charter Schools										109,290
Debt Service:										
Principal	115,000	205,000	80,000	80,000	80,000	80,000	80,000			
Interest And Other Charges	32,448	27,836	16,920	13,220	9,480	5,700	1,900			
Total Expenditures	12,652,842	12,929,971	13,137,587	13,751,967	14,298,497	14,610,523	16,453,543	17,406,488	17,104,178	17,889,137
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	(83,455)	(84,026)	590,337	536,272	416,638	1,074,548	647,255	291,818	2,397,878	2,008,139

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other Financing Sources (Uses):										
Transfers In										
Financial Purchases (Non-budgeted)		\$ 91,064	\$ 588	\$ (131,984)	\$ (131,984)		\$ 500,000	\$ 242,000		
Transfers to Cover Deficit (Enterprise Fund)								(26,459)	\$ (21,679)	\$ (16,418)
Transfers Out		(91,064)	(588)	131,984	131,984		(508,185)	(4)		
Total Other Financing Sources (Uses)							(8,185)	215,541	(21,679)	(16,418)
Net Change In Fund Balances	\$ (83,455)	\$ (84,026)	\$ 590,337	\$ 536,272	\$ 416,638	\$ 1,074,548	\$ 639,070	\$ 507,359	\$ 2,376,199	\$ 1,991,721
Debt Service As A Percentage Of Noncapital Expenditures	1.17%	1.80%	0.74%	0.68%	0.63%	0.59%	0.50%	0.00%	0.00%	0.00%

Source: Fairfield Township School District Financial Reports.

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

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>Other</u>	<u>Total</u>
2016	\$ -0-	\$ 25,000	\$ -0-	\$ 40,109	\$ 4,378	\$ 69,487
2017	-0-	97,107	-0-	52,234	4,682	154,023
2018	1,963	165,408	-0-	32,493	13,404	213,268
2019	14,733	99,108	26,586	11,263	137,762	289,452
2020	21,810	111,718	35,545	7,475	83,460	260,008
2021	9,708	120,002	303,938	12,750	5,526	451,924
2022	-0-	128,908	-0-	9,500	148,840	287,248
2023	60,679	80,600	-0-	9,650	75,228	226,157
2024	228,359	71,710	-0-	9,650	292,350	602,069
2025	314,820	89,413	-0-	9,500	40,717	454,450

Source: Fairfield Township School District Financial Reports.

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

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2015	\$ 35,777,700	\$ 1,119,961,500	\$ 424,200	\$ 33,300	\$ 650,582,100	\$ 791,236,800	\$ 15,000,000	\$ 2,613,015,600	\$ 7,466,353	\$ 2,620,481,953	\$ 0.406	\$ 2,648,934,593
2016	36,133,900	1,123,687,800	452,200	27,600	627,499,880	779,629,900	15,000,000	2,582,431,280	6,669,400	2,589,100,680	0.419	3,041,679,929
2017	34,274,500	1,130,908,200	452,200	27,600	612,516,480	775,968,500	15,000,000	2,569,147,480	7,003,818	2,576,151,298	0.437	2,915,051,007
2018	36,442,200	1,139,996,200	452,200	27,600	610,677,980	773,692,800	15,000,000	2,576,288,980	7,336,353	2,583,625,333	0.444	2,887,300,037
2019	34,096,900	1,151,402,600	452,200	27,600	620,482,280	771,772,400	22,995,600	2,601,229,580	6,875,879	2,608,105,459	0.374	3,183,326,152
2020 *	43,294,400	1,366,309,500	483,200	14,300	725,211,700	1,024,963,100	31,431,100	3,191,707,300	8,383,227	3,200,092,527	0.374	3,303,343,607
2021	37,871,700	1,370,749,500	483,200	14,300	723,081,900	1,023,511,800	41,631,100	3,197,343,500	7,768,477	3,205,111,977	0.381	3,528,684,125
2022	44,784,000	1,371,849,600	-0-	14,300	704,605,500	1,026,436,200	41,631,100	3,189,320,700	7,796,800	3,197,117,500	0.387	3,548,449,259
2023	36,951,000	1,376,417,200	-0-	14,300	694,621,100	1,024,683,000	62,331,100	3,195,017,700	7,609,400	3,202,627,100	0.386	3,833,696,407
2024 *	30,839,800	1,413,073,100	-0-	14,300	707,046,900	1,004,554,500	62,331,100	3,217,859,700	7,800	3,217,867,500	0.447	4,131,734,543

* Revaluation/Reassessment Year

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

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

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

Source: Fairfield Township Tax Assessor.

FAIRFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate Per \$100 of Assessed Value)

Year Ended December 31,	Fairfield Board of Education School Commercial Package - NJSIG			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	West Essex Regional School District	Fairfield Township	Essex County	
2015	\$ 0.401	\$ 0.005	\$ 0.406	\$ 0.554	\$ 0.544	\$ 0.515	\$ 2.019
2016	0.414	0.005	0.419	0.616	0.571	0.597	2.203
2017	0.431	0.006	0.437	0.609	0.564	0.581	2.191
2018	0.438	0.006	0.444	0.620	0.561	0.560	2.185
2019	0.373	0.001	0.374	0.748	0.557	0.590	2.269
2020	* 0.371	0.003	0.374	0.562	0.496	0.501	1.933
2021	0.378	0.003	0.381	0.601	0.495	0.550	2.027
2022	0.387		0.387	0.592	0.520	0.504	2.003
2023	0.386		0.386	0.618	0.539	0.510	2.053
2024	* 0.447		0.447	0.639	0.559	0.491	2.136

* 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.

Note: Revaluation of real property was effective in 2020 and 2024.

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 ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 10,635,425	\$ 10,635,425	100.00%	\$ -0-
2017	10,849,931	10,849,931	100.00%	-0-
2018	11,248,357	11,248,357	100.00%	-0-
2019	11,471,925	11,471,925	100.00%	-0-
2020	11,702,634	11,702,634	100.00%	-0-
2021	11,980,976	11,980,976	100.00%	-0-
2022	12,215,082	12,215,082	100.00%	-0-
2023	12,375,846	12,375,846	100.00%	-0-
2024	14,058,541	14,058,541	100.00%	-0-
2025	14,384,049	14,384,049	100.00%	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation	Financed			
	Bonds	Purchases			
2016	\$ 605,000		\$ 605,000	0.14%	\$ 81
2017	400,000		400,000	0.09%	53
2018	320,000		320,000	0.07%	43
2019	240,000		240,000	0.05%	32
2020	160,000		160,000	0.03%	21
2021	80,000		80,000	0.01%	10
2022	-0-		-0-	0.00%	-0-
2023	-0-	\$ 193,891	193,891	0.03%	24
2024	-0-		-0-	0.00%	-0-
2025	-0-		-0-	0.00%	-0-

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

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

Source: Fairfield Township School District Financial Reports.

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

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Net Valuation ^a Taxable	Per Capita ^b
	<u>Obligation Bonds</u>	<u>Bonded Debt Outstanding</u>		
2016	\$ 605,000	\$ 605,000	0.02%	\$ 81
2017	400,000	400,000	0.02%	53
2018	320,000	320,000	0.01%	43
2019	240,000	240,000	0.01%	32
2020	160,000	160,000	0.01%	21
2021	80,000	80,000	0.00%	10
2022	-0-	-0-	0.00%	-0-
2023	-0-	-0-	0.00%	-0-
2024	-0-	-0-	0.00%	-0-
2025	-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, 2024

<u>Governmental Unit</u>	<u>Outstanding</u>	<u>Estimated Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
West Essex Regional High School (Township Share)	\$ 2,090,000	25.00%	\$ 522,500
Township of Fairfield	15,131,000	100.00%	15,131,000
			<u>15,653,500</u>
Township of Fairfield School District			<u>-0-</u>
Total Direct And Overlapping Debt			<u>\$ 41,292,736</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.

^a 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				
	2016	2017	2018	2019	2020
Debt Limit	\$68,152,750	\$71,389,946	\$ 73,288,525	\$ 73,974,931	\$ 76,368,679
Total Net Debt Applicable to Limit	605,000	400,000	320,000	240,000	160,000
Legal Debt Margin	<u>\$67,547,750</u>	<u>\$70,989,946</u>	<u>\$ 72,968,525</u>	<u>\$ 73,734,931</u>	<u>\$ 76,208,679</u>
Total Net Debt Applicable to the Limit ss a Percentage of Debt	0.89%	0.56%	0.44%	0.32%	0.21%

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt Limit	\$78,116,415	\$86,823,035	\$ 107,168,954	\$ 108,685,275	\$ 119,056,079
Total Net Debt Applicable to Limit	160,000	80,000	-0-	-0-	-0-
Legal Debt Margin	<u>\$77,956,415</u>	<u>\$86,743,035</u>	<u>\$ 107,168,954</u>	<u>\$ 108,685,275</u>	<u>\$ 119,056,079</u>
Total Net Debt Applicable to the Limit ss a Percentage of Debt	0.20%	0.09%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2025

	Equalized valuation basis:
2024	\$ 4,041,014,316
2023	4,073,199,516
2022	<u>3,791,394,080</u>
	<u>\$11,905,607,912</u>
Average Equalized Valuation of Taxable Property	\$ 3,968,535,971
Debt Limit (3% of average equalization value) ^a	119,056,079
Net Bonded School Debt	<u>-0-</u>
Legal Debt Margin	<u>\$ 119,056,079</u>

^a 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 ^a</u>	<u>Essex County Per Capital Personal Income ^c</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Unemployment Rate ^d</u>
2016	7,503	\$ 57,228	\$ 429,381,684	4.70%
2017	7,502	58,707	440,419,914	4.70%
2018	7,504	59,322	445,152,288	4.40%
2019	7,502	63,077	473,203,654	3.50%
2020	7,459	67,431	502,967,829	11.50%
2021	7,818	74,714	584,114,052	7.20%
2022	7,761	76,488	593,623,368	4.00%
2023	7,941	80,460	638,932,860	5.00%
2024	8,204	80,460 *	660,093,840 ***	4.80%
2025	8,204 **	80,460 *	660,093,840 ***	N/A

* - Latest Essex County per capita personal income available (2023) was used for calculation purposes.

** - Latest population data available (2024) was used for calculation purposes.

*** - Latest per capita personal income available (2023) and latest population data available (2024) was used for calculation purposes.

N/A - Information Not Available for this year

Sources:

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

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

2024			2015		
Employer	Percentage of Total		Employer	Percentage of Total	
	Employees	Employment		Employees	Employment
Prudential Ins. Co. of America	49,705	15.05%	St. Barnabas Health Care System	23,000	N/A
St. Barnabus Health Care System	24,600	7.45%	Verizon	17,100	N/A
Rutgers University-Newark Campus	23,980	7.26%	Prudential Ins. Co. of America	16,850	N/A
Verizon	15,000	4.54%	Rutgers University - Newark Campus	15,500	N/A
Public Service Electric & Gas	12,945	3.92%	Continental Airlines	11,000	N/A
New Jersey Transit	11,500	3.48%	Newark Board of Education	7,050	N/A
City of Newark	10,001	3.03%	Automatic Data Processing	5,649	N/A
Montclair State University	7,900	2.39%	New Jersey Transit	4,000	N/A
Newark Board of Education	7,050	2.13%	City of Newark	4,000	N/A
Gateway Group One	6,250	1.89%	Essex County	3,500	N/A
	<u>168,931</u>	<u>51.15%</u>		<u>107,649</u>	<u>N/A</u>
County Labor Force	<u>330,269</u>				

Note - Principal employers are that of Essex County.

N/A - Information not available

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Instruction:										
Regular	52.0	53.0	51.0	60.5	54.0	60.0	59.0	53.0	52.0	49.0
Special Education	31.0	27.0	32.0	12.0	12.0	21.0	13.0	17.0	17.0	16.0
Other Special Education	5.0	5.0	6.0	9.5	7.0	8.0	13.0	20.0	23.0	25.0
Support Services:										
Student & Instruction Related Services	5.0	5.0	5.0	7.5	10.5	8.5	12.0	15.0	14.0	15.0
General Administrative Services	2.0	2.0	2.0	4.0	3.5	3.5	8.0	3.0	3.0	3.0
School Administrative Services	5.0	5.0	5.0	4.0	4.5	4.5	4.0	4.0	4.0	4.0
Central Services	3.0	3.0	3.0	3.0	3.5	3.5	2.0	5.0	4.0	7.0
Plant Operations and Maintenance	6.5	6.5	6.5	12.0	12.0	9.0	7.0	7.0	9.0	9.0
Total	<u>109.5</u>	<u>106.5</u>	<u>110.5</u>	<u>112.5</u>	<u>107.0</u>	<u>118.0</u>	<u>118.0</u>	<u>124.0</u>	<u>126.0</u>	<u>128.0</u>

Source: Fairfield Township School District personnel records.

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	621	\$ 12,412,715	\$ 19,988	5.27%	60	10.8	648.4	615.5	3.37%	94.93%
2017	659	12,591,557	19,107	-4.41%	72	9.2	663.0	629.5	2.25%	94.95%
2018	681	13,014,326	19,111	0.02%	67	10.3	688.8	655.3	3.89%	95.14%
2019	670	13,586,972	20,279	6.11%	74	9.1	674.2	641.9	-2.12%	95.21%
2020	686	13,889,658	20,247	-0.16%	74	9.4	695.7	673.5	3.18%	96.81%
2021	696	14,482,300	20,808	2.77%	79	8.8	692.5	672.3	-0.45%	97.08%
2022	716	15,531,758	21,692	4.25%	72	10.1	708.3	669.5	2.28%	94.52%
2023	706	16,687,716	23,637	8.96%	70	10.1	698.2	653.7	-1.43%	93.63%
2024	720	16,491,587	22,905	-3.10%	69	10.4	734.4	692.3	5.18%	94.27%
2025	713	16,826,882	23,600	3.03%	65	10.9	748.5	709.0	1.92%	94.73%

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

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

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

<u>District Building</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Stevenson										
Square Feet	49,000	49,000	49,000	49,000	49,000	56,625	56,625	56,625	56,625	56,625
Capacity (Students)	450	450	450	450	450	450	450	450	450	450
Enrollment	339	374	424	402	397	395	413	316	314	312
Churchill										
Square Feet	38,350	38,350	38,350	38,350	38,350	38,350	41,094	41,094	41,094	41,094
Capacity (Students)	400	400	400	400	400	400	400	400	400	400
Enrollment	282	285	257	268	289	301	286	390	406	401

Number of Schools at June 30, 2025:

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 *	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Stevenson Elementary School	\$ 32,233	\$ 82,060	\$ 57,569	\$ 50,657	\$ 134,149	\$ 121,608	\$ 137,945	\$ 142,107	\$ 172,588	\$ 198,342
Churchill Elementary School	33,128	81,924	101,816	119,062	104,992	82,361	91,963	182,127	116,889	134,330
	<u>\$ 65,361</u>	<u>\$ 163,984</u>	<u>\$ 159,385</u>	<u>\$ 169,719</u>	<u>\$ 239,141</u>	<u>\$ 203,969</u>	<u>\$ 229,908</u>	<u>\$ 324,234</u>	<u>\$ 289,477</u>	<u>\$ 332,672</u>

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

Source: Fairfield Township School District records.

FAIRFIELD BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package - NJSIG		
Property - Real and Personal Property (fund limit)	\$ 350,000,000	\$ 5,000
General Liability	31,000,000	N/A
Electronic Data Processing	350,000,000	1,000
Equipment Breakdown	100,000,000	25,000
Commercial Crime - Employee Dishonesty	250,000	1,000
Auto Liability	31,000,000	N/A
Auto Physical Damage	Actual Cash Value	1,000
School Board Legal Liability - NJSIG		
Errors and Omissions	31,000,000	5,000
Worker's Compensation - NJSIG		
Employers Liability	3,000,000	N/A
Disease (each employee)	3,000,000	N/A
Disease (policy limit)	3,000,000	N/A
Public Official Bonds - CAN		
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 - Ascot Specialty through NJSIG		
Each Pollution Event Limit	1,000,000	50,000
Aggregate Limit	11,000,000	N/A

Source: Fairfield Township School District records.

SINGLE AUDIT SECTION

Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, and each major fund of the Board of Education of the Fairfield Township School District, in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2025, 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 1, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

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 1, 2025
Mount Arlington, New Jersey

Nisiroccia LLP
NISIVOCIA LLP



John J. Mooney
Licensed Public School Accountant #2602
Certified Public Accountant

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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Fairfield Board of Education (the District's) compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its District's major state programs for the fiscal year ended June 30, 2025. The District's major state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

The Honorable President and Members of
the Board of Education
Fairfield Board of Education
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Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

October 1, 2025
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP



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, 2025

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2024		Due to Grantor 6/30/2024	Cash Received	Budgetary Expenditures	Cancellation of Prior Year Encumbrance	Paid to Grantor	Balance 6/30/2025		Amount Provided to Subrecipient
					(Accounts Receivable)/ Unearned Revenue	(Accounts Receivable)						Unearned Revenue	Due to Grantor	
U.S. Department of Education														
Passed-through State Department of Education:														
Elementary and Secondary Education Act:														
Title I	84.010	ESEA-1465-25	7/1/24-9/30/25	\$ 63,455				\$ 63,200	\$ (62,606)			\$ 594		
Total Title I								63,200	(62,606)					
Title II	84.367	ESEA-1465-25	7/1/24-9/30/25	12,209				12,000	(12,209)				\$ (209)	
Total Title II								12,000	(12,209)				(209)	
Title IV	84.424	ESEA-1465-25	7/1/24-9/30/25	10,000				10,000	(10,000)					
Total Title IV								10,000	(10,000)					
Total Elementary and Secondary Education Act:								85,200	(84,815)			594	(209)	
Education Stabilization Fund:														
COVID 19 - ARP:														
ESSER III	84.425U	S425D210027	3/13/20-9/30/24	360,753		\$ 1,450							\$ 1,450	
Accelerated Learning	84.425U	S425D210027	3/13/20-9/30/24	59,641		(23,250)		23,250						
COVID 19 - ARP GEER:														
High Impact Tutoring	84.425C	E2400365	10/11/23-8/31/24	62,543				28,162	(58,754)				(30,592)	
Total Education Stabilization Fund						(21,800)		51,412	(58,754)				(30,592)	
U.S. Department of Education														
Passed-through State Department of Education:														
Special Education Cluster:														
I.D.E.A. Part B, Preschool	84.173	IDEA-1465-25	7/1/24-9/30/25	10,322				6,134	(10,322)				(4,188)	
I.D.E.A. Part B, Preschool	84.173	IDEA-1465-24	7/1/23-9/30/24	10,526						\$ 8				8
ARP - I.D.E.A. Part B, Preschool	84.173X	IDEA-1465-22	7/1/21-9/30/23	2,553			\$ 162				\$ 162			
Total I.D.E.A. Preschool							162	6,134	(10,322)			162	(4,188)	8
I.D.E.A. Part B, Basic	84.027	IDEA-1465-25	7/1/24-9/30/25	157,944				157,944	(157,944)					
Total I.D.E.A.								157,944	(157,944)					
Total Special Education Cluster							162	164,078	(168,266)			162	(4,188)	8
Total Special Revenue/U.S. Department of Education						(21,800)	162	300,690	(311,835)			162	(34,989)	1,458
Total Federal Financial Awards						\$ (21,800)	\$ 162	\$ 300,690	\$ (311,835)	\$ 8	\$ 162	\$ 594	\$ (34,989)	\$ -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, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/2024	Cash Received	Budgetary Expenditures	MEMO	
							Balance 6/30/2025 GAAP (Accounts Receivable)	Budgetary (Accounts Receivable) Expenditures
NJ Department of Education:								
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24 - 6/30/25	\$ 466,483		\$ 443,649	\$ (466,483)	\$ (22,834)	\$ 466,483
Special Education Aid	25-495-034-5120-089	7/1/24 - 6/30/25	820,830		739,690	(820,830)	(81,140)	820,830
Security Aid	25-495-034-5120-084	7/1/24 - 6/30/25	61,742		55,639	(61,742)	(6,103)	61,742
Categorical Transportation Aid	25-495-034-5120-014	7/1/24 - 6/30/25	148,937		134,215	(148,937)	(14,722)	148,937
Nonpublic Transportation Aid	25-495-034-5120-014	7/1/24 - 6/30/25	18,213			(18,213)	(18,213)	18,213
Extraordinary Aid	25-495-034-5120-044	7/1/24 - 6/30/25	170,789			(170,789)	(170,789)	170,789
Menstrual Product Reimbursement	N/A	7/1/24 - 6/30/25	999			(999)	(999)	999
Special Education Aid	24-495-034-5120-089	7/1/23 - 6/30/24	768,735	\$ (75,029)	75,029			768,735
Security Aid	24-495-034-5120-084	7/1/23 - 6/30/24	34,975	(3,414)	3,414			34,975
Transportation Aid	24-495-034-5120-014	7/1/23 - 6/30/24	148,937	(14,536)	14,536			148,937
Nonpublic Transportation Aid	24-495-034-5120-014	7/1/23 - 6/30/24	12,285	(12,285)	12,285			12,285
Extraordinary Aid	24-495-034-5120-044	7/1/23 - 6/30/24	110,828	(110,828)	110,828			110,828
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23 - 6/30/24	455,652	(22,395)	22,395			455,652
On-Behalf TPAF Pension Contributions	25-495-034-5094-001	7/1/24 - 6/30/25	2,186,529		2,186,529	(2,186,529)		2,186,529
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-002	7/1/24 - 6/30/25	27,085		27,085	(27,085)		27,085
On-Behalf TPAF Post Retirement Medical Benefits	25-495-034-5094-004	7/1/24 - 6/30/25	646,820		646,820	(646,820)		646,820
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24 - 6/30/25	1,091		1,091	(1,091)		1,091
Total General Fund State Aid				(238,487)	4,473,205	(4,549,518)	(314,800)	7,053,787
NJ Schools Development Authority:								
Capital Projects Fund:								
Educational Facilities Construction and Financing								
Churchill School Roof Project	3590-030-23-R501	7/1/24 - 6/30/25	52,000		52,000	(52,000)		52,000
Total Capital Projects and N.J. School Development Authority Grants					52,000	(52,000)		52,000
Total State Awards Subject to Single Audit Determination				\$ (238,487)	\$4,525,205	\$(4,601,518)	\$ (314,800)	\$ 7,105,787
Less: State Awards Not Subject to Single Audit Major Program Determination								
On-Behalf TPAF Pension System Contributions:								
On-Behalf TPAF Pension Contributions	25-495-034-5094-001	7/1/24 - 6/30/25	2,186,529			\$ 2,186,529		
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-002	7/1/24 - 6/30/25	27,085			27,085		
On-Behalf TPAF Post Retirement Medical Benefits	25-495-034-5094-004	7/1/24 - 6/30/25	646,820			646,820		
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24 - 6/30/25	1,091			1,091		
Total State Awards Subject to Single Audit Major Program Determination						2,861,525		
						\$(1,739,993)		

N/A - Not Applicable/ Available

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

FAIRFIELD BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, 2025. 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 (\$8,986) for the General Fund and \$24,845 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, 2025
(Continued)

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,540,532	\$ 4,540,532
Special Revenue Fund	\$ 336,680		336,680
Capital Projects		52,000	52,000
	<u>\$ 336,680</u>	<u>\$ 4,592,532</u>	<u>\$ 4,929,212</u>
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, 2025.

FAIRFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Federal Awards

The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2025 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.

State Awards

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

Unmodified

Internal control over major programs:

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

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

_____ Yes _____ X _____ No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Special Education Aid	25-495-034-5120-089	7/1/24	6/30/25	\$ 820,830	\$ 820,830
Security Aid	25-495-034-5120-084	7/1/24	6/30/25	61,742	61,742
Dollar threshold used to distinguish between Type A and B programs				\$ 750,000	
Auditee qualified as low-risk auditee?		_____ X _____	Yes	_____	No

Section II - Financial Statement Findings - N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A

FAIRFIELD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings/Recommendations:

The District had no prior year audit findings.