

**SCHOOL DISTRICT**  
**OF**  
**TOWNSHIP OF FAIRFIELD**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Township of Fairfield Board of Education**

**Fairfield, New Jersey**

**For the Fiscal Year Ended June 30, 2017**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Township of Fairfield Board of Education**

**Fairfield, New Jersey**

**For the Fiscal Year Ended June 30, 2017**

**Prepared by**

**Fairfield Township Board of Education**

**Finance Department**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE TOWNSHIP OF FAIRFIELD BOARD OF EDUCATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**TABLE OF CONTENTS**

<b><u>INTRODUCTORY SECTION</u></b>	<b><u>Page</u></b>
Letter of Transmittal	1-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
<b><u>FINANCIAL SECTION</u></b>	
<b>Independent Auditor's Report</b>	9-10a
<b>Required Supplementary Information - Part I Management's Discussion and Analysis (Unaudited)</b>	11-20
<b>Basic Financial Statements</b>	
A. District-wide Financial Statements:	
A-1 Statement of Net Assets	21
A-2 Statement of Activities	22
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	23
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	24
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Proprietary Funds:	
B-4 Statement of Net Assets	26
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets	27
B-6 Statement of Cash Flows	28
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	29
B-8 Statement of Changes in Fiduciary Net Assets	N/A
<b>Notes to the Financial Statements</b>	30-61

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE TOWNSHIP OF FAIRFIELD BOARD OF EDUCATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
TABLE OF CONTENTS  
(Page 2)**

<b>FINANCIAL SECTION (continued)</b>	<u>Page</u>
<b>Required Supplementary Information - Part II</b>	
C. Budgetary Comparison Schedules: (Unaudited)	
C-1 Budgetary Comparison Schedule - General Fund	62-69
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	70
 <b>Notes to the Required Supplementary Information – Part II</b>	
C-3 Budget-to-GAAP Reconciliation	71
 <b>Required Supplementary Information - Part III (Unaudited)</b>	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	72
L-2 Schedule of District Contributions – PERS	73
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	74
L-4 Schedule of District Contributions – TPAF	75
 <b>Notes to the Required Supplementary Information – Part III</b>	
 <b>Other Supplementary Information</b>	
D. School Based Budget Schedules	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
 E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	77-78
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	79

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE TOWNSHIP OF FAIRFIELD BOARD OF EDUCATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**TABLE OF CONTENTS  
(Page 3)**

<b>FINANCIAL SECTION (continued)</b>	<u>Page</u>
<b>F. Capital Projects Fund:</b>	
F-1 Summary Schedule of Project Expenditures	80
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	81
F-2a-b Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis	82-83
 <b>G. Proprietary Funds:</b>	
Enterprise Fund:	
G-1 Combining Schedule of Net Assets	84
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets	85
G-3 Combining Schedule of Cash Flow	86
Internal Service Fund:	
G-4 Combining Schedule of Net Assets	N/A
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets	N/A
G-6 Combining Schedule of Cash Flows	N/A
 <b>H. Fiduciary Funds</b>	
H-1 Combining Statement of Fiduciary Net Assets	87
H-2 Combining Statement of Changes in Fiduciary Net Assets	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	88
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	89
 <b>I. Long-Term Debt</b>	
I-1 Schedule of Serial Bonds	90
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	91

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE TOWNSHIP OF FAIRFIELD BOARD OF EDUCATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
TABLE OF CONTENTS**

(Page 4)

<b>FINANCIAL SECTION (continued)</b>	<u>Page</u>
 <b><u>STATISTICAL SECTION (Unaudited)</u></b>	
<b>Introduction to the Statistical Section</b>	
 <b>Financial Trends</b>	
J-1 Net Assets by Component	92
J-2 Changes in Net Assets	93
J-3 Fund Balances - Governmental Funds	94
J-4 Changes in Fund Balances, Governmental Funds	95
J-5 General Fund Other Local Revenue by Source	96
 <b>Revenue Capacity</b>	
J-6 Assessed Value and Actual Value of Taxable Property	97
J-7 Direct and Overlapping Property Tax Rates	98
J-8 Principal Property Tax Payers*	99
J-9 Property Tax Levies and Collections	100
 <b>Debt Capacity</b>	
J-10 Ratio of Outstanding Debt by Type	101
J-11 Ratios of General Bonded Debt Outstanding	102
J-12 Direct and Overlapping Governmental Activities Debt	103
J-13 Legal Debt Margin Information	104
 <b>Demographic and Economic Information</b>	
J-14 Demographic and Economic Statistics	105
J-15 Principal Employers	106
 <b>Operating Information</b>	
J-16 Full-time Equivalent District Employees by Function/Program	107
J-17 Operating Statistics	108
J-18 School Building Information	109
J-19 Schedule of Required Maintenances Expenditures by School Facility	110
J-20 Insurance Schedule	111-112

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE TOWNSHIP OF FAIRFIELD BOARD OF EDUCATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
TABLE OF CONTENTS**

(Page 5)

**SINGLE AUDIT SECTION**

K-1	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	113-114
K-2	Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures Required by Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08	115-116
K-3	Schedule of Expenditures of Federal Awards, Schedule A	117
K-4	Schedule of Expenditures of Financial Assistance, Schedule B	118
K-5	Notes to the Schedules of Awards and Financial Assistance	119-120
K-6	Schedule of Findings and Questioned Costs- Summary of Auditor's Reports	121-122
K-7	Schedule of Findings and Questioned Costs - Financial Statement Federal Awards and State Financial Assistance	123-128
K-8	Summary Schedule of Prior Year Audit Findings	129

**INTRODUCTORY SECTION**



**FAIRFIELD TOWNSHIP PUBLIC SCHOOLS**  
**375 GOULDTOWN WOODRUFF ROAD**  
**BRIDGETON, NEW JERSEY 08302**  
Phone: (856) 453-1882      Fax: (856) 453-7189

**Dr. Michael Knox**  
**Superintendent/Principal**

**Janecia Smith**  
**Business Administrator**

November 15, 2017

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Fairfield Township Public School District for the fiscal year ended June 30, 2017, 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 Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

**1. REPORTING ENTITY AND ITS SERVICES:**

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2016-2017 fiscal year with a June enrollment of 627 students, which is a decrease of 35 students from the previous year's enrollment of 662. The following details the changes in the student enrollment of the District over the last ten years.

**June 30 Enrollment**

<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2016-17	627.0	(5.29)%
2015-16	662.0	5.75%
2014-15	626.0	.96%
2013-14	620.0	3.00%
2012-13	602.0	(1.79)%
2011-12	613.0	(.32)%
2010-11	616.0	5.21%
2009-10	585.5	(6.42)%
2008-09	625.7	3.27%
2007-08	605.9	4.21%

**2. ECONOMIC CONDITION AND OUTLOOK:**

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

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

**3. MAJOR INITIATIVES:**

Preschool: Our preschool program continues to grow due to the positive relationships and rapport built with families and the community. Research has proven that Early Childhood programs have the potential to positively impact our children. The NJ state approved Creative Curriculum offers students a program that offers enrichment and hands on inquiry based experiences in Language Arts, Mathematics, Science, Social Studies, Social emotional skills, and developmentally pertinent physical activities to promote health and wellness. According to feedback from the NJ state liaison and NEER, FTS continues to meet and exceed expectations.

Math: Fairfield Twp School strives to meet and exceed state and district achievement expectations. The district works closely with constituent districts and Cumberland Regional high school to ensure that the math curriculum is aligned to NJ standards and can meet the rigor of PARCC expectations. Throughout the school year, students participate in end of cycle benchmarks to track their progress and monitor student progress. Teachers meet bi-monthly to review data and plan various interventions and strategies to assist gifted and/or struggling learners. We have implemented various professional workshops to FTS staff to ensure that staff can provide and implement best teaching strategies in their instructional practices. Students in 8th grade that qualify are able to participate in an Algebra I course before attending high school in preparation for AP or Algebra at the high school level. The district also offers a summer enrichment and intervention program to prepare students for the academic rigor via the upcoming school year at FTS, high school, or technical school.

Literacy: Fairfield Twp School strives to meet and exceed state and district achievement expectations. The district works closely with constituent districts and Cumberland Regional high school to ensure that the math curriculum is aligned to NJ standards and can meet the rigor of PARCC expectations. Throughout the school year, students participate in end of cycle benchmarks to track their progress and monitor student progress. Teachers meet bi-monthly to review data and plan various interventions and strategies to assist gifted and/or struggling learners. We have implemented various professional workshops to FTS staff to ensure that staff can provide and implement best teaching strategies in their instructional practices. The district also offers a summer enrichment and intervention program to prepare students for the academic rigor via the upcoming school year at FTS, high school, or technical school.

Child Study Team and Special Education: In 2016-2017, the district formed a shared services contract with Hopewell Crest for their Child Study Team Director. Throughout the summer, the Hopewell CST director collaborated with the Fairfield team to recruit, interview, and select the 2016-2017 CST staff as well as develop two SE classroom programs. The district has hired a full-time school psychologist, contracted with a social worker (3-4 days a week), and learning disabled teacher consultant(s) (8-10 hours a week). Over the course of the next month the CST will continue to review polices, IEPs, and prepare PD presentations that will orientate the district staff to in-house CST and SE programs.

Facilities: Fairfield Township School facilities accommodate students in grades PK-8. In addition, the district re-opened the athletic field during the 2016-2017 school years. The field offers additional physical educational program activities such as tennis, basketball, track, soccer, and other sports related activities. In addition, the field is open to the community after school hours and this has strengthened the relationship with the community.

Information Technology: The vision of Fairfield Township School is to implement a technology model that articulates the use of technology in all aspects of the school district. This includes classrooms that are interactive, flexible and ready for collaboration, audiovisual equipment, teaching aides and high-speed networks to enhance learning and the classroom experience. Fairfield's vision includes' the use of mobile laptop carts in the classroom to enhance instruction. Fairfield Township will use educational software, web-based resources and instructional technology research for curriculum integration. As part of the technology initiatives Fairfield Township have begun working towards these goals over the summer

#### **4. INTERNAL ACCOUNTING CONTROLS:**

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

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

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

## **5. BUDGETARY CONTROLS:**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2017.

## **6. ACCOUNTING SYSTEM AND REPORTS:**

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

## **7. DEBT ADMINISTRATION:**

On December 8, 2009, the voters of the school district approved a referendum to construct an addition, as well as undertake various improvements, acquire equipment and make renovations to the elementary school. The total amount approved was \$3,984,772, of which \$1,984,772 was funded by a grant from the State of New Jersey and the remaining \$2,000,000 was funded through the issuance of bonds at various interest rates. Principal payments of bonds in the amount of \$90,000 were made during the 2016-17 fiscal year, resulting in a balance in bonds payable as of June 30, 2017 of \$1,465,000.

On September 15, 2014 the District refunded \$3,150,000 in Bonds Payable from the March 15, 2004 Construction of the new Elementary/Middle School, resulting in a net savings of \$56,000. Principal payments in the amount of \$280,000 were made during the 2016-17, resulting in a balance in these bonds payable as of June 30, 2017 of \$2,290,000.

## **8. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 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.

## **9. RISK MANAGEMENT:**

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

**10. OTHER INFORMATION:**

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

**11. ACKNOWLEDGMENTS:**

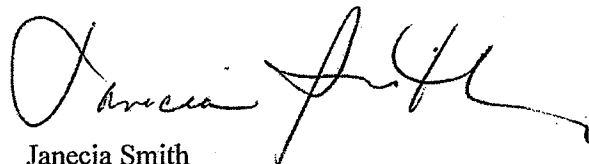
We would like to express our appreciation to the members of the Fairfield Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully Submitted,



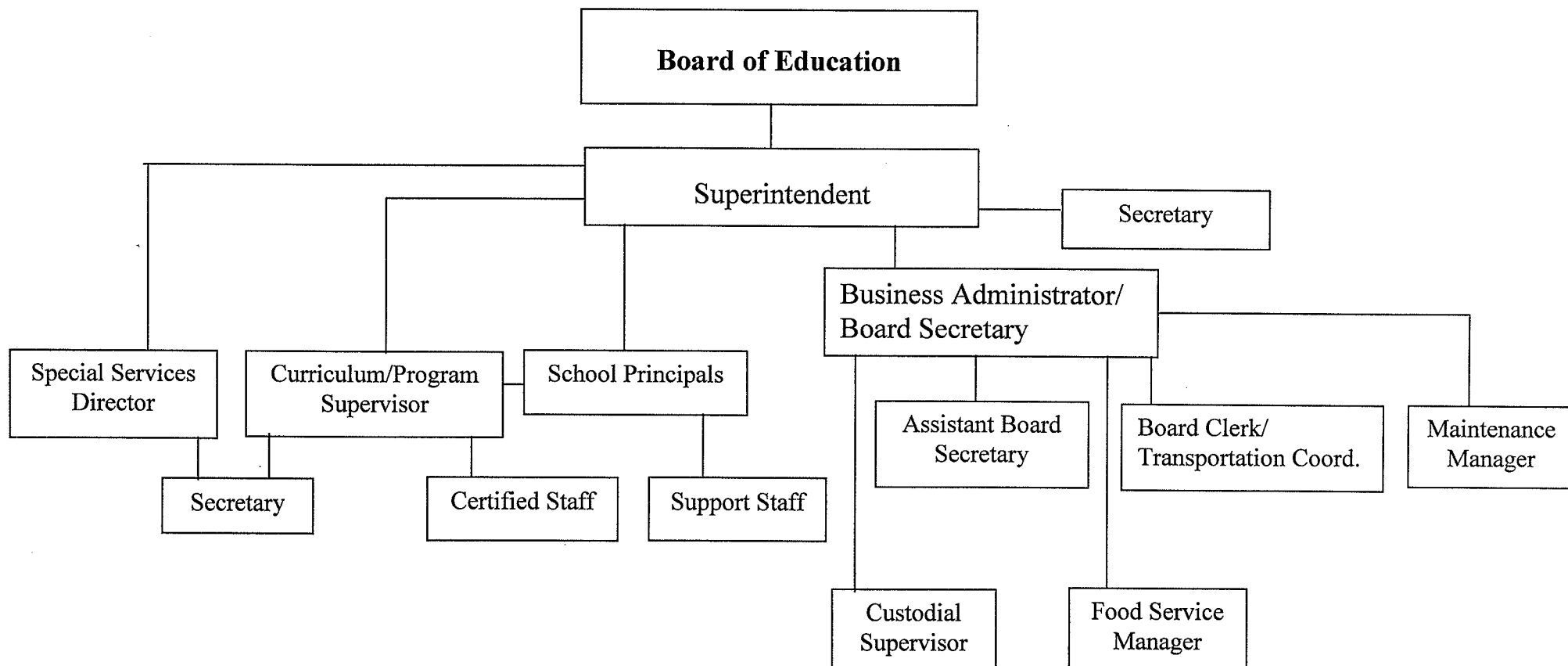
Dr. Michael Knox  
Superintendent/Principal

Respectfully Submitted,



Janecia Smith  
Business Administrator

**ORGANIZATIONAL CHART**



Approved by the Board of Education

**FAIRFIELD TOWNSHIP BOARD OF EDUCATION**  
**BRIDGETON, NEW JERSEY**

**ROSTER OF OFFICIALS**  
**JUNE 30, 2017**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Michelle Kennedy, President	2018
Alta Lloyd, Vice President	2018
Treemanisha Stewart	2017
Ruth Butler	2020
Robin Winrow	2020
Darlington Henry, Jr.	2018
Mattie Gibbons	2019
Mark Henry, Sr.	2019
Marge Neild	2019

<u>OTHER OFFICIALS</u>	<u>BOND</u>
Dr. Michael Knox, Superintendent/Principal	
Janecia Smith, Business Administrator	\$ 100,000
Frank DiDomenico, Solicitor	

**TOWNSHIP OF FAIRFIELD BOARD OF EDUCATION**  
**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Raymond Colavita, CPA, RMA**  
**Nightlinger, Colavita and Volpa, P. A.**  
Certified Public Accountants  
991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

**ATTORNEY**

**Frank DiDomenico**  
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Vineland, NJ 08362

**OFFICIAL DEPOSITORY**

**Ocean First**  
1771 S. Lincoln Avenue  
Vineland, New Jersey 08361

**INSURANCE AGENCY**

**GCSSDJIF**  
PO Box 449  
Marlton, New Jersey 08053



**FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

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November 15, 2017

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Fairfield Township School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Fairfield Township School District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Fairfield Township Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fairfield Township School Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by 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 OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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