

TOWNSHIP OF FAIRFIELD
REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2024

TOWNSHIP OF FAIRFIELD
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page No.</u>
	<u>PART I</u>	
	Independent Auditor's Report	1 - 3
	<u>CURRENT FUND</u>	
A	Comparative Balance Sheet - Regulatory Basis	4 - 5
A - 1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	6 - 7
A - 2	Statement of Revenues - Regulatory Basis	8 - 10
A - 3	Statement of Expenditures - Regulatory Basis	11 - 16
	<u>TRUST FUND</u>	
B	Comparative Balance Sheet - Regulatory Basis	17
	<u>GENERAL CAPITAL FUND</u>	
C	Comparative Balance Sheet - Regulatory Basis	18
C - 1	Statement of Fund Balance - Regulatory Basis	19
	<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>	
D	Comparative Balance Sheet - Regulatory Basis	20
	NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS	21 - 35
	<u>SUPPLEMENTARY INFORMATION</u>	
	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements - Regulatory Basis Performed in Accordance with Government Auditing Standards	36 - 37

TOWNSHIP OF FAIRFIELD
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page No.</u>
	<u>CURRENT FUND</u>	
A - 4	Schedule of Cash - Treasurer	38
A - 5	Schedule of Cash - Collector	39
A - 6	Schedule of Taxes Receivable and Analysis of Property Tax Levy	40
A - 7	Schedule of Tax Title Liens	41
A - 8	Schedule of Revenue Accounts Receivable	42
A - 9	Schedule of Appropriation Reserves - Prior Year	43 - 44
A - 10	Schedules of School Tax	45 - 46
A - 11	Schedule of Federal and State Grants Receivable	47
A - 12	Schedule of Appropriated Reserves for Federal and State Grants	48
A - 13	Schedule of Reserves for Federal and State Grants - Unappropriated	49
	<u>TRUST FUND</u>	
B - 1	Schedule of Dog Trust Cash - Treasurer	50
B - 2	Schedule of Other Trust Cash - Treasurer	51
B - 3	Schedule of Reserve for Animal Control Expenditures	52
B - 4	Schedule of Due to State of New Jersey	53
B - 5	Schedule of Other Reserves	54
	<u>GENERAL CAPITAL FUND</u>	
C - 2	Schedule of Cash - Treasurer	55
C - 3	Analysis of Cash	56
C - 4	Schedule of Capital Improvement Fund	57
C - 5	Schedule of Deferred Charges to Future Taxation - Funded	58
C - 6	Schedule of Deferred Charges to Future Taxation - Unfunded	59
C - 7	Schedule of Improvement Authorizations	60
C - 8	Schedule of Serial Bonds Payable	61
C - 9	Schedule of Bond Anticipation Notes	62
C - 10	Schedule of Bonds and Notes Authorized But Not Issued	63
	<u>PART II</u>	
	General Comments	64 - 66
	Findings and Recommendations	67
	Status of Prior Year Findings	67

TOWNSHIP OF FAIRFIELD

PART I

REPORT ON AUDIT OF

FINANCIAL STATEMENTS - REGULATORY BASIS

DECEMBER 31, 2024

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of Township Committee
Township of Fairfield
County of Cumberland, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Fairfield, as of December 31, 2024 and 2023, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Fairfield as of December 31, 2024 and 2023, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2024 and 2023, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2024 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Basis for Opinions

We conducted our audit 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 and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Township of Fairfield 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.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles.

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Fairfield on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 Township of Fairfield'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 Responsibility 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 Division of Local Government Services 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 an 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 judgement 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 Division of Local Government Services, we:

- exercise professional judgement 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 the 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 Township of Fairfield'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 judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the Township of Fairfield's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Fairfield basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section 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 supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

The letter of comments and recommendations section has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2025, on our consideration of the Township of Fairfield'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Fairfield's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla
Nancy Sbrolla
Certified Public Accountant
Registered Municipal Accountant
No. 542

July 2, 2025

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

EXHIBIT - A
CURRENT FUND

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Regular Fund:		
Cash:		
Cash Treasurer	\$ 3,303,331.88	3,370,307.80
Cash - Change	300.00	300.00
Total Cash	<u>3,303,631.88</u>	<u>3,370,607.80</u>
Due from State:		
Seniors and Veterans	8,842.92	11,057.31
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	528,979.37	579,060.96
Tax Title and Other Liens	1,273,186.42	1,155,847.57
Property Acquired for Taxes - at Assessed Valuation	426,250.00	426,250.00
Interfund Receivable:		
Due from Dog	454.20	454.20
Due from Federal & State Grant Fund	349,291.30	120,154.60
Total Receivables and Other Assets	<u>2,578,161.29</u>	<u>2,281,767.33</u>
Total Regular Fund	<u>5,890,636.09</u>	<u>5,663,432.44</u>
Federal and State Grant Fund:		
Cash	-	-
Federal and State Grants Receivable	2,891,878.72	1,612,993.78
Due from Current Fund	-	-
Total Federal and State Grant Fund	<u>2,891,878.72</u>	<u>1,612,993.78</u>
Total Current Fund	<u>\$ 8,782,514.81</u>	<u>7,276,426.22</u>

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

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2024</u>	<u>2023</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 351,746.82	319,022.84
Reserve for Encumbrances	73,098.51	48,793.58
Prepaid Taxes	153,653.49	137,873.05
Overpaid Taxes	4,280.74	10,505.33
Local School Tax Payable	430,453.99	532,176.45
Regional School Tax Payable	474,199.68	470,593.18
County Added Tax Payable	6,322.53	5,533.66
Interfund Payable:		
Small Cities	59,093.57	59,093.57
Trust Other	54,849.45	52,386.57
Reserve for Municipal Relief Aid	-	46,032.24
	<u>1,607,698.78</u>	<u>1,682,010.47</u>
Reserve for Receivables and Other Assets	2,578,161.29	2,281,767.33
Fund Balance	<u>1,704,776.02</u>	<u>1,699,654.64</u>
Total Regular Fund	<u>5,890,636.09</u>	<u>5,663,432.44</u>
Federal and State Grant Fund:		
Unappropriated Reserves	-	231,077.07
Appropriated Reserves	2,085,941.97	1,109,584.11
Encumbrances Payable	446,645.45	142,178.00
Due to Current Fund	349,291.30	120,154.60
Due to Other Government	10,000.00	10,000.00
	<u>2,891,878.72</u>	<u>1,612,993.78</u>
Total Federal and State Grant Fund	<u>2,891,878.72</u>	<u>1,612,993.78</u>
Total Current Fund	<u>\$ 8,782,514.81</u>	<u>7,276,426.22</u>

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

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2024</u>	<u>2023</u>
Revenue and Other Income Realized		
Fund Balance	\$ 435,000.00	438,000.00
Miscellaneous Revenue Anticipated	2,889,697.80	2,444,580.67
Receipts from Delinquent Taxes	518,373.36	558,667.67
Receipts from Current Taxes	7,531,715.02	7,830,820.85
Non Budget Revenue	124,683.20	95,291.93
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	282,765.32	173,672.72
Interfunds Returned	8,773.30	
Total Income	<u>11,791,008.00</u>	<u>11,541,033.84</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	572,550.00	562,100.00
Other Expenses	1,462,700.00	1,359,450.00
Deferred Charges & Statutory Expenditures	120,675.00	119,928.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	-	-
Other Expenses	2,024,580.13	1,619,116.59
Capital Improvements	66,800.00	44,000.00
Debt Service	408,348.12	388,951.09
Deferred Charges	-	17,200.00
Local District School Tax	1,532,486.00	1,735,939.00
Regional District School Tax	1,906,616.00	1,964,488.00
County Tax	3,249,808.84	3,318,391.64
County Share of Added Tax	6,322.53	5,533.66
Refund of Prior Year Revenue	-	-
Interfund Created	-	86,595.74
Total Expenditures	<u>11,350,886.62</u>	<u>11,221,693.72</u>
Excess/(Deficit) in Revenue	<u>440,121.38</u>	<u>319,340.12</u>

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

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2024</u>	<u>2023</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budgets of		
Succeeding Year		
Emergency Appropriation	-	-
Total Adjustments	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance	<u>440,121.38</u>	<u>319,340.12</u>
Fund Balance January 1	<u>1,699,654.64</u>	<u>1,818,314.52</u>
	2,139,776.02	2,137,654.64
Decreased by:		
Utilization as Anticipated Revenue	<u>435,000.00</u>	<u>438,000.00</u>
Fund Balance December 31	<u>\$ 1,704,776.02</u>	<u>1,699,654.64</u>

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

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 435,000.00		435,000.00	-
Total Fund Balance Anticipated	435,000.00	-	435,000.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	2,900.00		3,296.16	396.16
Fees and Permits	120,000.00		104,571.00	(15,429.00)
Fines and Costs:				
Municipal Court	13,000.00		12,870.26	(129.74)
Interest and Costs on Taxes	100,000.00		107,116.97	7,116.97
Cell Tower Lease	28,000.00		55,024.75	27,024.75
Total Section A: Local Revenues	263,900.00	-	282,879.14	18,979.14
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	444,369.00		446,580.91	2,211.91
Garden State Preservation Trust Fund	47,399.00		47,399.00	-
Municipal Relief Aid	46,032.24		46,032.24	-
Total Section B: State Aid Without Offsetting Appropriations	537,800.24	-	540,012.15	2,211.91
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	55,000.00		69,019.00	14,019.00
Total Section C: Uniform Construction Code Fees	55,000.00	-	69,019.00	14,019.00

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

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
NJBPU Community Energy Plan	-	250,000.00	250,000.00	-
Clean Communities		17,626.83	17,626.83	-
Recycling Tonnage Grant	14,363.30	-	14,363.30	-
Small Cities Block Grant		400,000.00	400,000.00	-
Stormwater Assistance	50,000.00	-	50,000.00	-
Local Recreation Grant		67,000.00	67,000.00	-
ARP Firefighter		35,000.00	35,000.00	-
Small Cities - Senior Center Phase II		216,420.00	216,420.00	-
Small Cities - ADA Senior Center	-	27,900.00	27,900.00	-
NJ DOT Piercetown Road	-	223,352.00	223,352.00	-
NJ DOT Husted Landing	224,410.00		224,410.00	-
NJ DOT Sunset Lane	255,357.00		255,357.00	-
NJ DOT Seabreeze Road	202,151.00		202,151.00	-
Total Section F: Special Items - Public and Private Programs	746,281.30	1,237,298.83	1,983,580.13	-
Off-Set with Appropriations				
Section G: Other Special Items				
Cable TV Franchise Fee	14,000.00		14,207.38	207.38
Total Section G: Other Special Items	14,000.00	-	14,207.38	207.38
Total Miscellaneous Revenues:	1,616,981.54	1,237,298.83	2,889,697.80	35,417.43
Receipts from Delinquent Taxes	570,000.00		518,373.36	(51,626.64)
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	1,433,351.09		1,472,995.48	39,644.39
Total Amount to be Raised by Taxes for Support of Municipal Budget	1,433,351.09	-	1,472,995.48	39,644.39
Budget Totals	4,055,332.63	1,237,298.83	5,316,066.64	23,435.18
Non- Budget Revenues:				
Other Non- Budget Revenues:	4,055,332.63	1,237,298.83	124,683.20	124,683.20
			5,440,749.84	148,118.38

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

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	7,531,715.02
--------------------------	--------------

Less: Reserve for Tax Appeals Pending	-
---------------------------------------	---

Net Revenue from Collections	7,531,715.02
------------------------------	--------------

Allocated to:

School, County and Other Taxes	6,695,233.37
--------------------------------	--------------

Balance for Support of Municipal Budget Appropriations	836,481.65
--	------------

Increased by:

Appropriation "Reserved for Uncollected Taxes"	636,513.83
--	------------

Amount for Support of Municipal Budget Appropriations	1,472,995.48
---	--------------

Receipts from Delinquent Taxes:

Delinquent Tax Collection	483,492.70	
---------------------------	------------	--

Tax Title Lien Collections	34,880.66	
----------------------------	-----------	--

Total Receipts from Delinquent Taxes	518,373.36
--------------------------------------	------------

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Registrar	2,398.00	
-----------	----------	--

Reimbursements	12,675.97	
----------------	-----------	--

Property Lists	130.00	
----------------	--------	--

Senior & Vets - Admin Fee	854.29	
---------------------------	--------	--

Sewer Charges	18,814.25	
---------------	-----------	--

Land Sale	400.00	
-----------	--------	--

Refunds	7,491.65	
---------	----------	--

Bank Interest	32,847.08	
---------------	-----------	--

Elections	5,089.00	
-----------	----------	--

Miscellaneous	43,982.96	
---------------	-----------	--

Total Miscellaneous Revenue Not Anticipated:	124,683.20
--	------------

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

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT:					
General Administration					
Salaries and Wages	\$ 125,000.00	125,000.00	121,662.32		3,337.68
Other Expenses	31,000.00	31,000.00	26,095.43	61.84	4,842.73
Grant Administration	22,500.00	22,500.00	14,460.00		8,040.00
Public Relations Other Expenses	1,000.00	1,000.00	812.82		187.18
Mayor and Committee					
Salaries and Wages	55,000.00	55,000.00	54,810.35		189.65
Other Expenses	2,200.00	2,200.00	150.00		2,050.00
Municipal Clerk					
Salaries and Wages	68,000.00	68,200.00	68,141.48		58.52
Other Expenses	36,500.00	36,500.00	18,483.28		18,016.72
Financial Administration					
Salaries and Wages	51,000.00	51,000.00	50,784.50		215.50
Other Expenses	12,750.00	12,750.00	11,880.78		869.22
Audit Services					
Other Expenses	35,500.00	35,500.00	35,500.00		-
Computerized Data Processing					
Other Expenses	2,500.00	2,500.00	2,464.56		35.44
Revenue Administration					
Salaries and Wages	62,000.00	62,000.00	61,932.52	98.79	67.48
Other Expenses	13,250.00	13,250.00	10,485.08		2,666.13
Assessment of Taxes					
Other Expenses	39,000.00	39,000.00	28,166.23		10,833.77
Legal Services					
Other Expenses	62,500.00	62,500.00	28,935.44		33,564.56
Other Expenses - TTL & Foreclosed Property	16,000.00	16,000.00	3,120.00		12,880.00
Engineering Services and Costs					
Other Expenses	51,000.00	51,000.00	35,561.70	10,945.00	4,493.30
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	6,000.00	6,000.00	4,316.38		1,683.62
Other Expenses	14,500.00	14,500.00	11,675.40	84.00	2,740.60
Zoning					
Salaries and Wages	21,500.00	21,500.00	20,343.62		1,156.38
Other Expenses	3,500.00	3,500.00	265.00		3,235.00

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

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
PUBLIC SAFETY FUNCTION						
Office of Emergency Management	3,600.00	3,600.00	2,999.88		600.12	-
Salaries and Wages	3,000.00	3,000.00	461.24		2,538.76	-
Other Expenses						
Aid to Volunteer Fire Companies						
Aid to Volunteer Fire Company No. 1	56,000.00	56,000.00	56,000.00		-	-
Aid to Volunteer Fire Company No. 2	56,000.00	56,000.00	50,000.00	6,000.00	-	-
Ambulance Service						
Other Expenses	25,000.00	25,000.00	20,000.00		5,000.00	-
Fire Department						
Other Expenses	5,000.00	5,000.00	1,240.00	60.00	3,700.00	-
PUBLIC WORKS						
Streets and Roads Maintenance						
Salaries and Wages	146,000.00	116,000.00	108,992.76		7,007.24	-
Other Expenses	57,000.00	57,000.00	41,448.41	854.71	14,696.88	-
Buildings and Grounds						
Other Expenses	81,500.00	81,500.00	8,336.56	44,423.98	28,739.46	
Convenience Center						
Salaries and Wages	11,250.00	11,250.00	7,999.64		3,250.36	-
Other Expenses	118,000.00	135,000.00	119,187.30	5,000.80	10,811.90	-
HEALTH AND HUMAN SERVICE						
Environmental Commission						
Other Expenses	3,000.00	3,000.00	-		3,000.00	-
Animal Control						
Other Expenses	60,000.00	75,000.00	69,984.83		5,015.17	-

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

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
RECREATION						
Senior Citizen Center						
Salaries and Wages	28,500.00	29,000.00	28,681.80		318.20	-
Other Expenses	3,500.00	3,500.00	2,113.89		1,386.11	-
Recreation Services and Programs						
Other Expenses	7,000.00	7,000.00	1,886.44		5,113.56	-
Parks and Playgrounds						
Other Expenses	3,000.00	3,000.00	362.00		2,638.00	-
MUNICIPAL COURT						
Municipal Court Administration						
Other Expenses	63,000.00	63,000.00	60,925.80		2,074.20	-
INSURANCE						
Other	97,500.00	97,500.00	87,326.00		10,174.00	-
Employee Group Insurance	163,000.00	133,000.00	117,372.27		15,627.73	-
Worker's Compensation	72,000.00	72,000.00	59,718.00		12,282.00	-
SEWER UTILITY						
Other Expenses	9,000.00	9,000.00	5,023.40		3,976.60	-
Maintenance	14,000.00	14,000.00	12,095.02		1,904.98	-
Treatment						
UNIFORM CONSTRUCTION CODE						
State Uniform Construction Code						
Construction Official	51,000.00	51,000.00	50,000.00		1,000.00	-
Other Expenses						
Code Enforcement	19,000.00	19,000.00	15,887.52		3,112.48	-
Salaries and Wages	1,250.00	1,250.00	950.83		299.17	-
Other Expenses						

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

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
UNCLASSIFIED					
Electric	26,000.00	26,000.00	22,550.71	562.58	2,886.71
Telephone	12,750.00	14,250.00	12,536.51	832.31	881.18
Gasoline	23,000.00	23,000.00	9,914.27		13,085.73
Natural Gas	21,000.00	21,000.00	11,491.94		9,508.06
Street Lighting	74,000.00	77,000.00	68,023.88		8,976.12
Heating Oil	5,000.00	5,000.00	618.00		4,382.00
Economic Development	2,000.00	2,000.00	-		2,000.00
Salary Adjustments	5,000.00	5,000.00			5,000.00
TOTAL OPERATIONS WITHIN "CAPS"	2,058,050.00	2,035,250.00	1,664,175.79	68,924.01	302,150.20
Contingent	-				-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	2,058,050.00	2,035,250.00	1,664,175.79	68,924.01	302,150.20
Detail:					
Salaries and Wages	601,850.00	572,550.00	546,552.77	-	25,997.23
Other Expenses	1,456,200.00	1,462,700.00	1,117,623.02	68,924.01	276,152.97
DEFERRED CHARGES AND STATUTORY EXPENDITURES:					
Deferred Charges:					
Prior Year Bills - Legal		-			-
Statutory Expenditures:					-
Contributions to:					-
Public Employees' Retirement System	54,675.00	54,675.00	54,675.00	-	-
Social Security System (O.A.S.I.)	48,000.00	48,000.00	40,416.11	-	7,583.89
Unemployment Compensation Insurance	18,000.00	18,000.00	11,760.77	-	6,239.23
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	120,675.00	120,675.00	106,851.88	-	13,823.12
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	2,178,725.00	2,155,925.00	1,771,027.67	68,924.01	315,973.32

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

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
OPERATIONS - EXCLUDED FROM "CAPS"					
(A) Operations - Excluded from "CAPS"					
Emergency Service Volunteer Length of Service Award Program	26,000.00	26,000.00	-	26,000.00	-
	<u>26,000.00</u>	<u>26,000.00</u>	<u>-</u>	<u>26,000.00</u>	<u>-</u>
(A) Public and Private Programs Off-Set by Revenues					
NJBPU Community Energy Plan	-	250,000.00	250,000.00	-	-
Clean Communities		17,626.83	17,626.83	-	-
Recycling Tonnage Grant	14,363.30	14,363.30	14,363.30	-	-
Small Cities Block Grant		400,000.00	400,000.00	-	-
Stormwater Assistance	50,000.00	50,000.00	50,000.00	-	-
Local Recreation Grant	-	67,000.00	67,000.00	-	-
ARP Firefighter	-	35,000.00	35,000.00	-	-
Small Cities - ADA Senior Center	-	27,900.00	27,900.00	-	-
Small Cities - ADA Senior Center	-	216,420.00	216,420.00	-	-
Small Cities - Match	15,000.00	15,000.00	15,000.00	-	-
NJ DOT Piercetown Road	-	223,352.00	223,352.00	-	-
NJ DOT Husted Landing	224,410.00	224,410.00	224,410.00	-	-
NJ DOT Sunset Lane	255,357.00	255,357.00	255,357.00	-	-
NJ DOT Seabreeze Road	202,151.00	202,151.00	202,151.00	-	-
	<u>761,281.30</u>	<u>1,998,580.13</u>	<u>1,998,580.13</u>	<u>-</u>	<u>-</u>
Total Public and Private Programs Off-Set by Revenues					
	787,281.30	2,024,580.13	1,998,580.13	26,000.00	-
Total Operations - Excluded from "CAPS"					
Detail:					
Salaries and Wages	-	-	-	-	-
Other Expenses	787,281.30	2,024,580.13	1,998,580.13	26,000.00	-
(C) Capital Improvements					
Capital Improvement Fund	20,000.00	42,800.00	42,800.00	-	-
Fire Department Equipment - Turnout Gear	24,000.00	24,000.00	10,052.00	4,174.50	9,773.50
	<u>44,000.00</u>	<u>66,800.00</u>	<u>52,852.00</u>	<u>4,174.50</u>	<u>9,773.50</u>
Total Capital Improvements					
(D) Debt Service					
Payment of Bond Principal	255,000.00	255,000.00	255,000.00	-	-
Payment of Bond Anticipation Notes	99,200.00	99,200.00	99,200.00	-	-
Interest on Bonds	32,112.50	32,112.50	32,112.50	-	-
Interest on Notes	22,500.00	22,500.00	22,035.62	-	464.38
	<u>408,812.50</u>	<u>408,812.50</u>	<u>408,348.12</u>	<u>-</u>	<u>464.38</u>
Total Debt Service					

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

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
(E) Deferred Charges					
Deferred Charges to Future Taxation Unfunded	-	-	-	-	-
Total Deferred Charges	-	-	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	1,240,093.80	2,500,192.63	2,459,780.25	4,174.50	464.38
SUBTOTAL GENERAL APPROPRIATIONS	3,418,818.80	4,656,117.63	4,230,807.92	73,098.51	464.38
(M) Reserve for Uncollected Taxes	636,513.83	636,513.83	636,513.83	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 4,055,332.63	5,292,631.46	4,867,321.75	73,098.51	464.38
Budget		4,055,332.63			464.38
Appropriations by 40A:4-87		1,237,298.83			-
Emergency Appropriations		-			
		<u>5,292,631.46</u>			<u>464.38</u>
		-			
Reserve for Uncollected Taxes			636,513.83		
Capital Improvement Fund			1,998,580.13		
Federal and State Grants			-		
Deferred Charges			2,232,227.79		
Disbursements			<u>4,867,321.75</u>		

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

EXHIBIT - B
TRUST FUND

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
<u>DOG TRUST FUND</u>		
Cash	\$ 1,777.59	1,876.80
	<u>1,777.59</u>	<u>1,876.80</u>
<u>OTHER TRUST FUND</u>		
Cash and Investments	370,969.38	266,057.65
Interfunds and Receivables:		
Due from Current Fund	113,943.02	111,480.14
Consortia Grant - Loans Receivable	61,034.00	61,034.00
Small Cities Loans - Receivable	125,328.43	125,328.43
	<u>671,274.83</u>	<u>563,900.22</u>
	<u>673,052.42</u>	<u>565,777.02</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
<u>DOG TRUST FUND</u>		
Reserve for Dog Fund Expenditures	1,171.59	1,262.40
Prepaid Dog Licenses	-	-
Due to Current Fund	454.20	454.20
Due to State of New Jersey	151.80	160.20
	<u>1,777.59</u>	<u>1,876.80</u>
<u>OTHER TRUST FUND</u>		
Due to Current Fund		-
Reserve for:		
Unemployment Compensation	36,575.51	33,566.35
Payroll	54,785.39	43,621.85
Sanitary Landfill	33,504.42	33,504.42
Developers Escrow	85,750.18	77,573.97
Uniform Fire Safety Fees	2,765.38	2,765.38
Tax Sale Premiums	139,000.00	53,600.00
Redemption of Tax Title Liens	15,430.97	15,430.97
Consortia Grant	8,860.06	8,860.06
Small Cities Grant	28,139.00	28,139.00
Firemans Fund	-	0.01
Tax Lien	20,670.92	21,045.21
Loans Receivable:		
Consortia	61,034.00	61,034.00
Small Cities	184,759.00	184,759.00
	<u>671,274.83</u>	<u>563,900.22</u>
	<u>\$ 673,052.42</u>	<u>565,777.02</u>

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

EXHIBIT - C
GENERAL CAPITAL FUND

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash	\$ 158,261.38	72,157.51
Deferred Charges to Future Taxation -		
Funded	790,000.00	1,045,000.00
Unfunded	1,938,689.20	720,389.20
Due from State of NJ	92,000.00	92,000.00
Interfunds and Receivables		
Due from Current Fund	-	-
	<u>2,978,950.58</u>	<u>1,929,546.71</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Interfunds:		
Due to Current Fund	-	-
Bond Anticipation Notes Payable	491,000.00	465,200.00
Serial Bonds Payable	790,000.00	1,045,000.00
Encumbrances	67,517.00	42,892.36
Improvement Authorizations:		
Funded	153,002.14	116,683.39
Unfunded	1,436,263.09	205,105.56
Reserve for Landfill Closure	11,755.00	11,755.00
Reserve for Payment of Debt	8,821.35	7,618.40
Capital Improvement Fund	20,592.00	35,292.00
Fund Balance	-	-
	<u>\$ 2,978,950.58</u>	<u>1,929,546.71</u>

There were bonds and notes authorized but not issued at December 31 (C - 10)

2023	347,189.20
2024	1,539,689.20

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

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2024</u>	<u>2023</u>
Beginning Balance January 1	\$ -	-
No current year activity		
Ending Balance December 31	\$ <u>-</u>	<u>-</u>

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

EXHIBIT - D
GENERAL FIXED ASSET ACCOUNT GROUP

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**GENERAL FIXED ASSET ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Land Buildings and Improvements	\$ 3,832,041.09	3,830,126.09
Machinery and Equipment	<u>2,814,337.70</u>	<u>2,748,062.57</u>
	<u>6,646,378.79</u>	<u>6,578,188.66</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Investment in General Fixed Assets	<u>6,646,378.79</u>	<u>6,578,188.66</u>
	<u>\$ 6,646,378.79</u>	<u>6,578,188.66</u>

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Fairfield include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township of Fairfield, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the entity is financially accountable. The entity is financially accountable for an organization if the entity appoints a voting majority of the organization's governing board and (1) the entity is able to significantly influence the programs or services performed or provided by the organization; or (2) the entity is legally entitled to or can otherwise access the organization's resources; the entity is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the entity is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the entity in that the entity approves the budget, the issuance of debt or the levying of taxes. The entity has no component units.

The Township of Fairfield was incorporated in 1798. The Township is located in Cumberland County approximately forty-five miles southeast of the City of Philadelphia. The population according to the 2010 Federal Census is 6,295.

The Township operates under a five-member Township Committee. The Township Committee appoints the Mayor at the annual reorganization meeting. The Mayor is the Chief Executive Officer of the Township and is assisted by the Township Committee.

B. Description of Funds

The accounting policies of the Township of Fairfield conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Fairfield accounts for its financial transactions through the following separate funds:

Current Fund -- resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds -- receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund -- receipt and disbursement of funds for the acquisition of general facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

**TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the entity budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the entity's Current Fund. Other amounts that are due to the entity which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds -- Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

General Fixed Assets -- The entity has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition.

Expenditures for long-lived assets with an original cost in excess of \$500.00 are capitalized.

**TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes -- It is the policy of the Township of Fairfield to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten-day grace period.

Capitalization of Interest -- It is the policy of the Township of Fairfield to treat interest on projects as a current expense and the interest is included in the current operating budget.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the entity's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

**TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

F. Recent Accounting Pronouncements Not Yet Effective

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, "Certain Risk Disclosures". This statement is effective for fiscal years beginning after June 15, 2024 and will not have any effect on the Township's financial reporting.

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, "Financial Reporting Model Improvements". This statement is effective for fiscal years beginning after June 15, 2025 and will not have any effect on the Township's financial reporting.

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, "Disclosure of Certain Capital Assets". This statement is effective for fiscal years beginning after June 15, 2025 and will not have any effect on the Township's financial reporting.

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2024 and 2023 statutory budgets included a reserve for uncollected taxes in the amount of \$636,513.83 and \$744,196.38. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2024 and 2023 statutory budgets was \$435,000 and \$438,000.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by The Township Committee. The following significant budget transfers were approved in the 2024 and 2023 calendar years:

<u>Budget Category</u>	<u>2024</u>	<u>2023</u>
<u>Current Fund</u>		
General Administration		
Grant Administration	\$	6,000.00
Streets and Roads		
Salaries and Wages	(30,000.00)	(22,000.00)
Convenience Center		
Other Expenses	17,000.00	
Animal Control		
Other Expenses	15,000.00	
Street Lighting		5,000.00
Employee Group Insurance	(30,000.00)	
Capital Improvement Fund	22,800.00	

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2024 and 2023, the following significant budget insertions were approved:

**TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

<u>Budget Category</u>	<u>2024</u>	<u>2023</u>
Clean Communities	\$ 17,626.83	
NJBPU Community Energy Plan	250,000.00	
NJDOT Piercetown Road	223,352.00	
Small Cities Block Grant - Senior Center	216,420.00	
Small Cities Block Grant	400,000.00	200,000.00
Local Recreation Improvement Grant	67,000.00	
Small Cities - ADA Improvements	27,900.00	400,000.00
Recycling Tonnage Grant		15,519.18
NJ Transportation Trust Fund - Hawthorne		300,000.00
USDA Command Vehicle		30,700.00
Enhancing Local Public Health		10,000.00
Stormwater Assistance Grant		25,000.00
ARP Firefighter	35,000.00	52,000.00
ARP Firefighter		53,000.00
Local Recreation Grant		74,000.00
Total	\$ <u>1,237,298.83</u>	<u>1,160,219.18</u>

The entity may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years.

Note 3: INVESTMENTS

As of December 31, 2024 and 2023, the municipality held no investments.

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2024 and 2023, \$0 of the municipality's bank balance of \$3,999,684.63 and \$3,902,851.70 was exposed to custodial credit risk.

**TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

Note 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2024 and 2023:

	Balance 12/31/2022	Additions	Retirements/ Adjustments	Balance 12/31/2023
Land Buildings & Improvements	\$ 3,781,289.09	48,837.00		3,830,126.09
Machinery & Equipment	2,733,062.57	15,000.00		2,748,062.57
	<u>\$ 6,514,351.66</u>	<u>63,837.00</u>	<u>-</u>	<u>6,578,188.66</u>
	Balance 12/31/2023	Additions	Retirements/ Adjustments	Balance 12/31/2024
Land Buildings & Improvements	3,830,126.09	1,915.00		3,832,041.09
Machinery & Equipment	2,748,062.57	66,275.00		2,814,337.57
	<u>\$ 6,578,188.66</u>	<u>68,190.00</u>	<u>-</u>	<u>6,646,378.66</u>

Note 6: SHORT-TERM OBLIGATIONS

	Balance 12/31/22	Issued	Retired	Balance 12/31/23
Bond Anticipation Notes	\$ 547,200.00	-	82,000.00	465,200.00
	Balance 12/31/23	Issued	Retired	Balance 12/31/24
Bond Anticipation Notes	\$ 465,200.00	125,000.00	99,200.00	491,000.00

As of December 31, 2024 the entity has authorized but not issued bonds in the amount of \$1,539,689.20.

**TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

Note 7: LONG TERM DEBT

Long-term debt as of December 31, 2024 and 2023 consisted of the following:

	Balance 12/31/22	Issued	Retired	Balance 12/31/23	Amounts Due Within One Year
Bonds and Loans payable:					
General	\$ 1,300,000.00	-	255,000.00	1,045,000.00	255,000.00
Total	1,300,000.00	-	255,000.00	1,045,000.00	255,000.00
Compensated Absences Payable	16,704.22	12,985.76		29,689.98	-
	Balance 12/31/23	Issued	Retired	Balance 12/31/24	Amounts Due Within One Year
Bonds and Loans payable:					
General	\$ 1,045,000.00		255,000.00	790,000.00	260,000.00
Total	1,045,000.00	-	255,000.00	790,000.00	260,000.00
Compensated Absences Payable	29,689.98	15,359.82	14,609.60	30,440.20	-
Total long-term liabilities	<u>\$ 1,074,689.98</u>	<u>15,359.82</u>	<u>269,609.60</u>	<u>820,440.20</u>	<u>260,000.00</u>

Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the Township:

\$2,490,000 Refunding Bonds dated August 20, 2015, payable in annual installments through 2027. Interest is paid annually varying from 3.00% to 3.50% per annum. The balance remaining as of December 31, 2024 is \$790,000.00

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt and Issued and Outstanding

	General Capital Fund	
Year	Principal	Interest
2025	\$ 260,000.00	23,100.00
2026	260,000.00	14,000.00
2027	270,000.00	4,725.00
	<u>\$ 790,000.00</u>	<u>\$ 41,825.00</u>

TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

As of December 31, 2024 the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$54,612.50.

<u>Summary of Municipal Debt</u>	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>
<u>Issued</u>			
General - Serial Bonds	\$ 790,000.00	1,045,000.00	1,300,000.00
General - Bond Anticipation Notes	491,000.00	465,200.00	547,200.00
Total Issued	<u>1,281,000.00</u>	<u>1,510,200.00</u>	<u>1,847,200.00</u>
Authorized but not issued			
General - Bonds and Notes	1,539,689.20	347,189.20	89,389.20
Total Authorized But Not Issued	<u>1,539,689.20</u>	<u>347,189.20</u>	<u>89,389.20</u>
Total Issued and Authorized But Not Issued	<u>\$ 2,820,689.20</u>	<u>1,857,389.20</u>	<u>1,936,589.20</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.829%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local & Regional School District Debt	\$ 750,000.00	750,000.00	-
General Debt	<u>2,820,689.20</u>	<u>-</u>	<u>2,820,689.20</u>
	<u>\$ 3,570,689.20</u>	<u>750,000.00</u>	<u>2,820,689.20</u>

Net Debt \$2,820,689.20 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$340,390,294 = 0.829%.

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 11,913,659.94
Net Debt	2,820,689.20
Remaining Borrowing Power	<u>\$ 9,092,970.74</u>

Note 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2024 and 2023, which were appropriated and included as anticipated revenue in the respective fund for the year ending December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current Fund	\$ 493,288.00	435,000.00

**TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

Note 9: SCHOOL TAXES

Local District School Tax in the amounts of \$1,532,486.00 and \$1,735,939.00 have been raised for the 2024 and 2023 calendar years and remitted or are due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Local District School Taxes have been raised and a liability deferred by statute, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	12/31/2024	12/31/2023
Balance of Tax	\$ 703,443.99	805,166.45
Deferred	272,990.00	272,990.00
Tax Payable	<u>\$ 430,453.99</u>	<u>532,176.45</u>

Regional District School Tax in the amounts of \$1,906,616.00 and \$1,964,488.00 have been raised for the 2024 and 2023 calendar years and remitted or are due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Regional District School Taxes have been raised resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	12/31/2024	12/31/2023
Balance of Tax	\$ 962,327.68	958,721.18
Deferred	488,128.00	488,128.00
Tax Payable	<u>\$ 474,199.68</u>	<u>470,593.18</u>

Note 10: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. The following is a comparison of the liability for the previous two years:

	Balance 12/31/24	Balance 12/31/23
Prepaid Taxes	\$ 153,653.49	137,873.05
Cash Liability for Taxes Collected in Advance	<u>\$ 153,653.49</u>	<u>137,873.05</u>

**TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

Note 11: PENSION FUNDS

Description of Plans

Substantially all of the entity's employees participate in the Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which has been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the system. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

PERS provided for employee contributions of 7.50% employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The entity's contributions to PERS for the years ended December 31, 2024, 2023, and 2022 were \$54,675, \$51,798 and \$65,054, respectively.

The total payroll for the year ended December 31, 2024, 2023 and 2022 was \$549,640.47, \$527,082.34, and \$529,098.46, respectively. Payroll covered by PERS was \$368,024.00, \$313,273.00, and \$320,287.00.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) operates and to the benefit provisions of the system.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.

**TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced taccidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008.

The legislation also removed language from existing laws that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

Note 12: PENSION LIABILITIES

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the municipality's pension liabilities. However, due to the fact that the municipality reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the municipality's pension liabilities as June 30, 2023:

Public Employees' Retirement System

The Municipality has a liability of \$592,530 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the

TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

net pension liability was determined by an actuarial valuation as of July 1, 2022 that was rolled forward to June 30, 2023. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Municipality's proportion would be .0040908257%, which would be a decrease of .41% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Municipality would have recognized pension expense of \$(2,572). At December 31, 2023, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 5,665	(2,422)
Changes of assumptions	1,302	(35,910)
Changes in proportion	21,990	(188,923)
Net difference between projected and actual earnings on pension plan investments	2,729	
Total	<u>\$ 31,686</u>	<u>(227,255)</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2024	\$ (352,666)
2025	(140,033)
2026	313,781
2027	(19,330)
2028	2,679
Total	<u>\$ (195,569)</u>

Actuarial Assumptions

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

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%

**TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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

**TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality'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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	\$ 720,946	592,530	488,828

Pension plan fiduciary net position.

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

Note 13: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick and vacation time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$30,440.20 in 2024 and \$29,689.98 in 2023. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey.

Note 14: ECONOMIC DEPENDENCY

The Township of Fairfield is not economically dependent on any one business or industry as a major source of tax revenue for the entity.

Note 15: RISK MANAGEMENT

The entity 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.

Property and Liability Insurance - The entity maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2024 and 2023 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

New Jersey Unemployment Compensation Insurance – The entity has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the entity is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The entity is billed quarterly for amounts due to the State. The following is a summary of entity contributions, employee contributions, reimbursements to the State for benefits and the ending balances of the entity's trust fund for the previous three years:

**TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

Calendar Year	Employer Contributions	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2024	\$ 3,306.25	-	-	297.09	36,575.51
2023	12,450.43	-	-	4,179.00	33,566.35
2022	-	-	-	96.73	25,294.92

Note 16: CONTINGENT LIABILITIES

From time to time, the entity is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the entity's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

Note 17: INTERFUND BALANCES

During the most current calendar year ended December 31, 2024, the following interfunds were included on the balance sheets of the various funds of the Township of Fairfield:

	Due From	Due To
Current Fund:		
Federal and State Grant Fund	\$ 349,291.30	
Dog Fund	454.20	
Trust Fund - Small Cities		59,093.57
Trust Fund		54,849.45
Grant Fund:		
Current Fund		349,291.30
Trust Fund:		
Current - Dog		454.20
Current - Trust Other	54,849.45	
Current - Trust Small Cities	59,093.57	
	<u>463,688.52</u>	<u>463,688.52</u>

The amounts due to the Current Fund from the Grant fund is due to the fact that the Current Fund advances cash to the Grant Fund in anticipation of Grant Receivable balances being collected from the granting agency. The remaining interfunds are due to amounts that should have been transferred to the proper bank accounts.

Note 18: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through July 2, 2025, the date which the financial statements were available to be issued and has not identified any events requiring disclosure.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

SUPPLEMENTARY INFORMATION

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTER BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and
Members of the Township Committee
Township of Fairfield
County of Cumberland, New Jersey

We have audited, in accordance with the 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, the financial statements – regulatory basis, as listed in the accompanying table of contents, of the Township of Fairfield, State of New Jersey, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated July 2, 2025, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Fairfield prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's 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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla
Nancy Sbrolla
Certified Public Accountant
Registered Municipal Accountant
No. 542

July 2, 2025

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

		<u>Current Fund</u>
Balance December 31, 2023	\$	3,370,307.80
Increased by Receipts:		
Tax Collector	8,130,985.79	
Revenue Accounts Receivable	877,651.66	
Due from State of NJ - Seniors & Vets	42,714.39	
Due from Trust Other	2,462.88	
Due from Federal and State Grant Fund	698,028.12	
Federal and State Unappropriated	-	
		<u>9,751,842.84</u>
		13,122,150.64
Decreased by Disbursements:		
Current Year Appropriation	2,232,227.79	
Prior Year Appropriations	84,368.73	
County Taxes	3,255,342.50	
Local District School Taxes	1,634,208.46	
Regional School Taxes	1,903,009.50	
Due from Federal & State Grant Fund	702,754.82	
Refunds	6,906.96	
		<u>9,818,818.76</u>
Balance December 31, 2024	\$	<u><u>3,303,331.88</u></u>

CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR

Balance December 31, 2023		\$	-
Increased by Receipts:			
Prepaid Taxes	153,653.49		
Taxes Receivable	7,835,334.67		
Revenue Accounts Receivable	107,116.97		
Tax Title and Other Liens	34,880.66		
			8,130,985.79
			8,130,985.79
Payments to Treasurer			
			8,130,985.79
		\$	
			-

40

**CURRENT FUND
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2023		\$	1,155,847.57
Increased by:			
Transfers from Taxes Receivable	128,418.46		
Interest and Costs Accrued at Tax Sale	2,036.72		
Other	21,764.33		
			152,219.51
			1,308,067.08
Decreased by:			
Canceled			
Collections	34,880.66		
Other			
			34,880.66
Balance December 31, 2024		\$	<u><u>1,273,186.42</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2023	Accrued in 2023	Collected by		Balance Dec. 31, 2024
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages	-	3,296.16		3,296.16	-
Fees and Permits	-	104,571.00		104,571.00	-
Fines and Costs:					
Municipal Court	-	12,870.26		12,870.26	-
Interest and Costs on Taxes	-	107,116.97	107,116.97	-	-
Cell Tower Lease	-	55,024.75		55,024.75	-
Cable T.V. Franchise Fees	-	14,207.38		14,207.38	-
Energy Receipts Tax	-	446,580.91		446,580.91	-
Garden State Trust	-	47,399.00		47,399.00	-
Municipal Relief Aid	-	46,032.24		46,032.24	-
Uniform Construction Code Fees	-	69,019.00		69,019.00	-
Miscellaneous Revenue Not Anticipated	-	124,683.20		124,683.20	-
	<u>\$ -</u>	<u>1,030,800.87</u>	<u>107,116.97</u>	<u>923,683.90</u>	<u>-</u>
			Cash	877,651.66	
			Municipal Relief Aid	46,032.24	
				<u>923,683.90</u>	

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2023	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT:					
General Administration					
Other Expenses	2,782.41	2,782.41	2,047.71	734.70	-
Grant Administration	4,870.00	12,370.00	12,050.00	320.00	-
Public Relations Other Expenses	703.08	703.08	(25.00)	728.08	-
Municipal Clerk					
Other Expenses	1,076.29	1,076.29	1,056.14	20.15	-
Data Processing					
Other Expenses	82.54	82.54	74.36	8.18	-
Financial Administration					
Other Expenses	1,839.25	1,839.25	237.44	1,601.81	-
Revenue Administration					
Other Expenses	1,424.81	1,424.81	789.71	635.10	-
Tax Assessment Administration					
Other Expenses	4,834.69	4,834.69	3,177.67	1,657.02	-
Legal Services					
Other Expenses	30,548.15	30,548.15	1,320.00	29,228.15	-
Engineering Services and Costs					
Other Expenses	31,393.09	31,393.09	417.75	30,975.34	-
LAND USE ADMINISTRATION					
Planning Board					
Other Expenses	9,478.03	9,478.03	48.89	9,429.14	-
PUBLIC SAFETY FUNCTION					
Office of Emergency Management					
Other Expenses	1,564.59	1,564.59	491.75	1,072.84	-
PUBLIC WORKS FUNCTION					
Streets and Roads Maintenance					
Other Expenses	15,674.98	15,674.98	6,124.77	9,550.21	-
Building and Grounds					
Other Expenses	24,472.99	24,472.99	5,992.33	18,480.66	-
Convenience Center					
Other Expenses	15,003.64	15,003.64	11,104.32	3,899.32	-
HEALTH AND HUMAN SERVICE					
Animal Control					
Other Expenses	1,551.25	1,551.25	1,458.39	92.86	-

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2023	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
RECREATION					
Senior Citizen Center					
Other Expenses	875.42	875.42	101.60	773.82	-
Insurance					
Employee Group Insurance	16,861.01	9,361.01	-	9,361.01	-
SEWER UTILITY					
Other Expenses					
Maintenance	3,599.10	3,599.10	300.00	3,299.10	-
Treatment	1,137.45	1,137.45	-	1,137.45	-
UNCLASSIFIED					
Electric	4,859.31	4,859.31	1,346.81	3,512.50	-
Telephone	2,013.17	2,013.17	1,083.71	929.46	-
Gasoline	7,952.80	7,952.80	697.34	7,255.46	-
Natural Gas	12,157.38	12,157.38	2,581.69	9,575.69	-
Street Lighting	7,882.70	7,882.70	6,796.72	1,085.98	-
OPERATIONS - EXCLUDED FROM "CAPS"					
(A) Operations - Excluded from "CAPS"					
Emergency Service Volunteer Length of Service Program					
Award Program	26,000.00	26,000.00	18,300.00	7,700.00	-
(C) Capital Improvements					
Fire Department Equipment - Turnout Gear	7,477.00	7,477.00	7,477.00	-	-
Other accounts with no change					
	129,701.29	129,701.29	-	129,701.29	-
	<u>\$ 367,816.42</u>	<u>367,816.42</u>	<u>85,051.10</u>	<u>282,765.32</u>	<u>-</u>
	\$ 319,022.84		\$ 84,368.73		
Reserves	<u>48,793.58</u>		<u>682.37</u>		
Encumbrances	<u>\$ 367,816.42</u>		<u>\$ 85,051.10</u>		

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2023		
School Tax Payable	\$ 532,176.45	
School Tax Deferred	<u>272,990.00</u>	
		\$ 805,166.45
Increased by:		
Levy - School Year July 1, 2023 to June 30, 2024		<u>1,532,486.00</u>
		2,337,652.45
Decreased by:		
Payments		<u>1,634,208.46</u>
Balance December 31, 2024		
School Tax Payable	430,453.99	
School Tax Deferred	<u>272,990.00</u>	
		<u>703,443.99</u>
Current Year Liability for Local School District School Tax:		
Tax Paid		1,634,208.46
Tax Payable Ending		<u>430,453.99</u>
		2,064,662.45
Less: Tax Payable Beginning		<u>532,176.45</u>
Amount charged to Current Year Operations		<u>\$ 1,532,486.00</u>

CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX

Balance December 31, 2023			
School Tax Payable	\$	470,593.18	
School Tax Deferred		<u>488,128.00</u>	
			\$ 958,721.18
Increased by:			
Levy - School Year July 1, 2023 to June 30, 2024			<u>1,906,616.00</u>
			2,865,337.18
Decreased by:			
Payments			<u>1,903,009.50</u>
Balance December 31, 2024			
School Tax Payable		474,199.68	
School Tax Deferred		<u>488,128.00</u>	
			<u>962,327.68</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			1,903,009.50
Tax Payable Ending			<u>474,199.68</u>
			2,377,209.18
Less: Tax Payable Beginning			<u>470,593.18</u>
Amount charged to Current Year Operations			<u>\$ 1,906,616.00</u>

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Purpose	Balance Dec. 31, 2023	Transferred From 2024 Revenues	Received	Balance Dec. 31, 2024
FEDERAL GRANTS:				
Small Cities - 2023	\$ 397,300.00			397,300.00
Small Cities - 2023	2,700.00			2,700.00
Small Cities - ADA - 2023	108,091.89		67,843.35	40,248.54
Small Cities - ADA	2,310.09			2,310.09
Small Cities - 2022	4,755.72		4,755.72	-
Small Cities	397,300.00			397,300.00
Small Cities - Block Grant	28,563.93			-
Small Cities - Senior Center ADA		27,900.00	28,563.93	27,900.00
Small Cities 2024 Rehab		400,000.00		400,000.00
Small Cities - Senior Center Phase II		216,420.00		216,420.00
ARP Firefighter	-	35,000.00		35,000.00
USDA Command Vehicle	30,700.00			30,700.00
Total Federal	971,721.63	679,320.00	101,163.00	1,549,878.63
STATE GRANTS:				
NJ Department of Transportation - Flat Top Road	64,519.03			64,519.03
NJ Department of Transportation - Herring Road	22,940.65			22,940.65
NJ Department of Transportation - Coombs Road	27,267.73			27,267.73
NJ Department of Transportation - Clarks Pond Road	31,298.20			31,298.20
NJ Department of Transportation - Hawthorne	300,000.00		154,630.21	145,369.79
NJ Department of Transportation - Green Way	14,111.04			14,111.04
NJ Transportation Trust Fund - Buck Street, Elmer Ave.	92,511.62			92,511.62
NJ Transportation Trust Fund - Piercetown Road		223,352.00		223,352.00
NJ Transportation Trust Fund - Husted Landing		224,410.00	126,160.47	98,249.53
NJ Transportation Trust Fund - Sunset Lane		255,357.00		255,357.00
NJ Transportation Trust Fund - Seabreeze Road		202,151.00	166,751.38	35,399.62
Clean Communities	-	17,626.83	17,626.83	-
Recycling Tonnage	3,959.40	14,363.30	14,363.30	3,959.40
Hazardous Mitigation Grant	82.00			82.00
NJBPU Community Energy Plan		250,000.00		250,000.00
DEP Stormwater Grant	-	50,000.00	50,000.00	-
DEP Stormwater Grant			74,000.00	-
Local Recreation Improvement Grant	74,000.00			67,000.00
Local Recreation Improvement Grant		67,000.00		
Total State	630,689.67	1,304,260.13	603,532.19	1,331,417.61
LOCAL GRANTS:				
Live Healthy Cumberland County Mini-Grant	4,000.00	-		4,000.00
Cumberland County DOH Enhancing Local Public Health	6,582.48			6,582.48
Total Local	10,582.48	-	-	10,582.48
\$	1,612,993.78	1,983,580.13	704,695.19	2,891,878.72
		Cash	698,028.12	
		Unappropriated Reserves	6,667.07	
			704,695.19	

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance December 31, 2023		2024	Disbursed	Encumbered	Balance Dec. 31, 2024
	Appropriated	Reserve for Encumbrances				
FEDERAL GRANTS:						
FEMA	\$ 7,028.83	21,859.43				7,028.83
American Rescue Plan	-			20,689.93	1,169.50	-
ARP Firefighter			35,000.00	17,500.00	17,500.00	-
ARP Firefighter						-
USDA Command Vehicle		30,700.00		30,700.00		-
Small Cities ADA 2023	400,000.00				400,000.00	-
Small Cities ADA			27,900.00		27,900.00	-
Small Cities Senior Center Phase II	165,632.66	20,245.00	216,420.00			216,420.00
Small Cities Block Grant	18,091.48			185,877.66		-
Small Cities	-					18,091.48
Small Cities	-					-
Small Cities - 2019	-					-
Small Cities - ADA	3,500.00					3,500.00
Small Cities - ADA	9,585.00					9,585.00
Small Cities - Match	-					-
Small Cities - 2020	-					-
Small Cities - Match	17,720.00					17,720.00
Small Cities - 2022	-					-
Small Cities - Match	10,800.00					10,800.00
Small Cities - 2023	27,727.61					27,727.61
Small Cities - 2023 - Match	14,250.00					14,250.00
Small Cities - 2024			400,000.00	30,745.34		369,254.66
Small Cities - 2024 - Match			15,000.00	15,000.00		-
Total Federal	674,335.68	72,804.43	694,320.00	300,512.93	446,569.50	694,377.58
STATE GRANTS:						
Recycling Tonnage	7,343.88			2,800.00		18,907.18
NJ Environmental Commission	3,792.44		14,363.30			3,792.44
Clean Communities	21,949.07	219.00		31,984.13	75.95	7,734.82
Municipal Stormwater	3,093.00		17,626.83			3,093.00
Alcohol Education Rehabilitation Program	14,945.02					14,945.02
NJ Department of Transportation - Flat Top Road	57,204.61					57,204.61
NJ Department of Transportation - Flat Top Road Match	6,695.00					6,695.00
NJ Department of Transportation - Herring Road	18,782.35					18,782.35
NJ Department of Transportation - Coombs Road	24,132.96					24,132.96
NJ Department of Transportation - Church Street	2,391.10					2,391.10
NJ Department of Transportation - Holly Way	3,332.45					3,332.45
NJ Department of Transportation - Copin, Duchess, Seena	19,961.44					19,961.44
NJ Department of Transportation - Green Way	108,129.43					108,129.43
NJ Transportation Trust Fund - Buck Street, Elmer Ave.	31,036.30					31,036.30
NJ Department of Transportation - Hawthorne	56,601.39	1,400.57		13,800.84		44,201.12
NJ Department of Transportation - Piercetown Road			223,352.00			223,352.00
NJ Department of Transportation - Husted Landing			224,410.00	114,561.97		109,848.03
NJ Department of Transportation - Sunset Lane			255,357.00			255,357.00
NJ Department of Transportation - Seabreeze Road			202,151.00	155,458.08		46,692.92
Clean Energy Program	25,000.00			25,000.00		-
BPU Community Energy Grant			250,000.00			250,000.00
Stormwater Grant			50,000.00			50,000.00
DEP Stormwater Grant	22,605.78			5,882.87		16,722.91
Local Recreation Improvement Grant	1,806.00	67,754.00		67,754.00		1,806.00
Local Recreation Improvement Grant			67,000.00			67,000.00
Total State	428,802.22	69,373.57	1,304,260.13	417,241.89	75.95	1,385,118.08
LOCAL GRANTS:						
Cumberland County DOH Enhancing Local Public Health	6,446.31					6,446.31
Total Local	6,446.31	-	-	-	-	6,446.31
	1,109,584.11	142,178.00	1,998,580.13	717,754.82	446,645.45	2,085,941.97

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES

<u>Purpose</u>	<u>Balance Dec. 31, 2023</u>	<u>Transferred To 2024 Appropriations</u>	<u>Received</u>	<u>Balance Dec. 31, 2024</u>
STATE GRANTS:				
Clean Communities	\$ -			-
Recycling Tonnage	6,667.07	6,667.07		-
DOT Husted Landing	224,410.00	224,410.00		-
Total State	<u>\$ 231,077.07</u>	<u>231,077.07</u>	<u>-</u>	<u>-</u>

TRUST FUND
SCHEDULE OF DOG TRUST CASH - TREASURER

Balance December 31, 2023		\$	1,876.80
Increased by:			
Cash Receipts for:			
Dog Licenses Collected	2,078.00		
Prepaid Dog Licenses	-		
Due to State of NJ	579.00		
Interfund Returned	-		
			<u>2,657.00</u>
			4,533.80
Decreased by:			
Cash Disbursed for:			
Dog Fund Expenditures	2,168.81		
Due to State of New Jersey	587.40		
Due to Current Fund	-		
			<u>2,756.21</u>
Balance December 31, 2024		\$	<u><u>1,777.59</u></u>

-

TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

Balance December 31, 2023		\$	266,057.65
Increased by:			
Cash Receipts for:			
Current Fund Interfund	-		
Other Reserves:			
Interest on Investments	-		
Other Receipts	967,609.79		
			<u>967,609.79</u>
			1,233,667.44
Decreased by:			
Cash Disbursed for:			
Current Fund Interfund	2,462.88		
Other Reserves	860,235.18		
			<u>862,698.06</u>
Balance December 31, 2024		\$	<u><u>370,969.38</u></u>

TRUST FUND
ANIMAL CONTROL FUND - RESERVE FOR DOG FUND EXPENDITURES

Balance December 31, 2023		\$	1,262.40
Increased by:			
Dog License - Cash Receipts	2,078.00		
Due from Current Fund			
			2,078.00
			3,340.40
Decreased by:			
Excess	-		
Cash Disbursed	2,168.81		
			2,168.81
Balance December 31, 2024		\$	<u><u>1,171.59</u></u>

Fees Collected	2023	1,692.60	
	2022	<u>1,384.80</u>	
		<u>3,077.40</u>	

TRUST FUND
ANIMAL CONTROL FUND - DUE TO STATE OF NEW JERSEY

Balance December 31, 2023		\$	160.20
Increased by:			
Cash Receipts	579.00		
			579.00
			739.20
Decreased by:			
Cash Disbursed	587.40		
			587.40
Balance December 31, 2024		\$	<u><u>151.80</u></u>

**TRUST FUND
SCHEDULE OF OTHER RESERVES**

Title	Balance Dec. 31, 2023	Receipts	Disbursements	Balance Dec. 31, 2024
Unemployment Compensation	\$ 33,566.35	3,306.25	297.09	36,575.51
Payroll	43,621.85	591,242.60	580,079.06	54,785.39
Sanitary Landfill Escrow	33,504.42			33,504.42
Developers Escrow	77,573.97	19,750.20	11,573.99	85,750.18
Uniform Fire Safety	2,765.38			2,765.38
Tax Title Lien Redemptions	15,430.97			15,430.97
Tax Lien	21,045.21	254,510.74	254,885.03	20,670.92
Tax Sale Premiums	53,600.00	98,800.00	13,400.00	139,000.00
Consortia Grant	8,860.06			8,860.06
Small Cities	28,139.00			28,139.00
Firemans Fund	0.01		0.01	-
	\$ 318,107.22	967,609.79	860,235.18	425,481.83

**GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2023		\$	72,157.51
Increase:			
Bond Anticipation Note	125,000.00		
Due from Current Fund	42,800.00		
Capital Improvement Fund	-		
Premium on Bond Anticipation Note	1,202.95		169,002.95
Decrease:			
Improvement Authorizations	82,899.08		
Due from Current Fund	-		82,899.08
Balance December 31, 2024		\$	<u>158,261.38</u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2023	Receipts Miscellaneous	Disbursements Improvement Authorizations	Transfers		Balance Dec. 31, 2024
				From	To	
Fund Balance	\$ -					
Capital Improvement Fund	35,292.00	42,800.00		57,500.00		20,592.00
Due from Current Fund	-					-
Due from State	(92,000.00)					(92,000.00)
Reserve for Debt Service	7,618.40	1,202.95				8,821.35
Reserve for Landfill Closure	11,755.00					11,755.00
Encumbrances	42,892.36			42,892.36	67,517.00	67,517.00
Bond Anticipation Notes	465,200.00	125,000.00				590,200.00
Improvement Authorizations:						
2010 Elmer Road	106.91					106.91
11-2012 Various Improvements	1,243.60					1,243.60
14-2012 Various Improvements:						
Municipal Building Road	12,330.75					12,330.75
Municipal Building Generator	39,401.63					39,401.63
1-2015 Purchase of Fire Truck	(244,224.53)		4,000.00			(248,224.53)
4-2016 Reurbish Ambulance	(24,770.85)					(24,770.85)
5-2016 Cap Landfill	(18,500.24)		602.47			(19,102.71)
10-2017 Various Improvements	500.50					500.50
2-2019 Dump Truck	35,000.00					35,000.00
6-2019 Various Improvements	(71,189.20)		1,000.00			(72,189.20)
5-2021 Dump Truck and Building Improvements	0.00					0.00
6--2021 Various Improvements	28,100.00		21,181.25			6,918.75
1-2023 Road Improvements	(92,006.46)		4,203.00	19,737.00		(115,946.46)
7-2023 Various Improvements	(64,592.36)		51,912.36	47,780.00	42,892.36	(121,392.36)
7-2024 Various Improvements						-
10-2024 Fire Truck					57,500.00	57,500.00
\$	72,157.51	169,002.95	82,899.08	167,909.36	167,909.36	158,261.38

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2023		\$	35,292.00
Increased by:			
Budget Appropriation	42,800.00		
			42,800.00
			78,092.00
Decreased by:			
Ordinance 10-2024	57,500.00		
			57,500.00
Balance December 31, 2024		\$	<u>20,592.00</u>

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance December 31, 2023		\$	1,045,000.00
Increased by:			
None			
			-
			1,045,000.00
Decreased by:			
Serial Bonds Paid			
	255,000.00		
			255,000.00
Balance December 31, 2024		\$	<u><u>790,000.00</u></u>

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord #	Improvement Description	Balance Dec. 31, 2023	2024 Authorizations	Raised in 2024 Budget	Balance Dec. 31, 2024	Analysis of Balance		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1-2015	Purchase of Fire Truck	\$ 251,910.00		66,960.00	184,950.00	184,950.00		
4-2016	Ambulance	25,956.75		6,899.54	19,057.21	19,057.21		
5-2016	Cap Landfill	95,333.25		25,340.46	69,992.79	69,992.79		
6-2019	Various Improvements	72,189.20			72,189.20		1,000.00	
1-2023	Road Improvements	125,000.00			125,000.00	125,000.00		
7-2023	Various Improvements	150,000.00			150,000.00		56,800.00	28,607.64
7-2024	Various Improvements		225,000.00		225,000.00			225,000.00
10-2024	Fire Truck		1,092,500.00		1,092,500.00			1,092,500.00
		<u>\$ 720,389.20</u>	<u>1,317,500.00</u>	<u>99,200.00</u>	<u>1,938,689.20</u>	<u>399,000.00</u>	<u>57,800.00</u>	<u>1,346,107.64</u>
Improvement Authorizations Unfunded								1,436,263.09
Less:								
Unexpended Proceeds of Bond								
Anticipation Notes Issued:								
	Ord. Number							
	1-2015						3,685.47	
	4-2016						1,185.90	
	5-2016						76,230.54	
	7-2023						9,053.54	
								<u>90,155.45</u>
								<u>\$ 1,346,107.64</u>

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Authorizations				
				Balance December 31, 2023		Other Funding	Deferred Charges to Future Taxation	Paid or Charged
				Funded	Unfunded			
2010	Elmer Road	2007	15,000.00	\$ 106.91			106.91	
11-2012	Various Improvements	7/10/2012	57,346.00	1,243.60			1,243.60	
14-2012	Various Improvements:							
	Municipal Building Roof	11/13/2012	42,389.00	12,330.75	-		12,330.75	-
	Municipal Building Generator	11/13/2012	50,000.00	39,401.63	-		39,401.63	-
1-2015	Purchase of Fire Truck	2/13/2015	500,000.00	7,685.47				3,685.47
4-2016	Reburish Ambulance	2/17/2016	110,000.00	1,185.90				1,185.90
5-2016	Cap Landfill	2/17/2016	160,000.00	76,833.01				76,230.54
10-2017	Various Improvements	12/13/2017	26,600.00	500.50			500.50	-
2-2019	Dump Truck	3/6/2019	35,000.00	35,000.00			35,000.00	-
6-2019	Various Improvements	7/10/2019	100,000.00		1,000.00		1,000.00	-
6-2021	Various Improvements	12/15/2021	92,000.00	28,100.00			6,918.75	
1-2023	Road Improvements	2/1/2023	125,000.00		32,993.54		23,940.00	9,053.54
7-2023	Various Improvements	10/18/2023	150,000.00		85,407.64		56,800.00	28,607.64
7-2024	Various Improvements	9/18/2024	225,000.00			225,000.00		225,000.00
10-2024	Fire Truck	12/18/2024	1,150,000.00			57,500.00	57,500.00	1,092,500.00
				\$ 116,683.39	205,105.56	282,500.00	107,523.72	1,436,263.09

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2023	Increased	Decreased	Balance Dec. 31, 2024
			Date	Amount					
2015 Refunding Bonds	8/19/2015	2,490,000	2/15/2024	255,000.00	3.500%	\$ 1,045,000.00		255,000.00	790,000.00
			2/15/2025	260,000.00	3.500%				
			2/15/2026	260,000.00	3.500%				
			2/15/2027	270,000.00	3.500%				
						\$ 1,045,000.00	-	255,000.00	790,000.00

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2023	Increased	Decreased	Balance Dec. 31, 2024
Fire Truck	2015-01	3/31/2016	3/19/2024	3/18/2025	5.00%	251,910.00		66,960.00	184,950.00
Reurbish Ambulance	2016-04	3/31/2016	3/19/2024	3/18/2025	5.00%	25,956.75		6,899.54	19,057.21
Cap Landfill	2016-05	3/31/2016	3/19/2024	3/18/2025	5.00%	95,333.25		25,340.46	69,992.79
Various Capital Improvements	2021-06	3/21/2022	3/19/2024	3/18/2025	5.00%	92,000.00			92,000.00
Various Capital Improvements	2023-01	3/19/2024	3/19/2024	3/18/2025	5.00%		125,000.00		125,000.00
						<u>\$ 465,200.00</u>	<u>125,000.00</u>	<u>99,200.00</u>	<u>491,000.00</u>

**GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2023	2024 Authorizations	Debt Issued	Other	Balance Dec. 31, 2024
6-2019	Various Capital Improvements	72,189.20				72,189.20
1-2023	Road Improvements	125,000.00		125,000.00		-
7-2023	Various Capital Improvements	150,000.00				150,000.00
7-2024	Various Capital Improvements		225,000.00			225,000.00
10-2024	Acquisition of Fire Truck		1,092,500.00			1,092,500.00
		<u>\$ 347,189.20</u>	<u>1,317,500.00</u>	<u>125,000.00</u>	<u>-</u>	<u>1,539,689.20</u>

TOWNSHIP OF FAIRFIELD

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2024

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

TOWNSHIP OF FAIRFIELD

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law." The bid threshold is \$26,000.

The governing body of the Township of Fairfield has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in a violation of the statute, the Township Committee's opinion should be sought before a commitment is made.

The minutes indicate that following bids were requested by public advertising during 2024:

Street Reconstruction
Development of Photovoltaic System

The minutes indicate resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

Collection of Interest on Delinquent Taxes and Assessments

The statutes provide the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Township Committee of the Township of Fairfield, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the Township of Fairfield, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

BE IT FURTHER RESOLVED by the Township Committee of the Township of Fairfield, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 percent penalty on taxes and municipal charges greater than \$10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the Year 2023.

This Resolution shall take effect January 2, 2024.

TOWNSHIP OF FAIRFIELD

It appears from an examination of the Collector's records that interest was charged in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The tax sale was held on December 13, 2024 and determined to be complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31st of the last three years:

<u>Year</u>	<u>Number</u>
2024	131
2023	119
2022	134

It is essential to good management that all means provided by the statutes be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent taxes and charges, as well as current payments, was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2024 and 2025 Taxes	5
Delinquent Taxes	5
Total	<u>10</u>

Deposit of Municipal Funds

N.J.S.A. 40A:5-15 states:

"All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository."

TOWNSHIP OF FAIRFIELD

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2024	\$ 8,145,022.87	7,531,715.02	92.47%
2023	8,442,450.47	7,830,820.85	92.76%
2022	8,746,136.98	8,045,705.37	91.99%
2021	8,467,774.48	7,817,528.20	92.32%

Comparative Schedule of Tax Rate Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	\$ 2.552	2.652	2.750	2.674
Apportionment of Tax Rate:				
Municipal	0.450	0.440	0.439	0.439
County	1.021	1.046	1.135	1.111
Regional School	0.599	0.619	0.635	0.584
Local School	0.482	0.547	0.541	0.540

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total delinquent taxes and tax title liens, in relation to the tax levies of the last four years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2024	\$ 1,273,186.42	528,979.37	1,802,165.79	22.13%
2023	1,155,847.57	579,060.96	1,734,908.53	20.55%
2022	1,134,951.71	624,369.73	1,759,321.44	20.12%
2021	1,265,658.76	524,089.31	1,789,748.07	21.14%

FINDINGS AND RECOMMENDATIONS

NONE

STATUS OF PRIOR YEAR FINDINGS

NONE

The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla
Nancy Sbrolla
Certified Public Accountant
Registered Municipal Accountant
No. 542

July 2, 2025