

**TOWNSHIP OF BYRAM
SCHOOL DISTRICT
COUNTY OF SUSSEX, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF BYRAM**

**Byram Township Board of Education
Byram, New Jersey**

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2016**

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Township of Byram School District

Byram, New Jersey

For The Fiscal Year Ended June 30, 2016

Prepared by

**Township of Byram School District
Finance Department**

OUTLINE OF CAFR

INTRODUCTORY SECTION

Letter of Transmittal.....	1
Organizational Chart.....	5
Roster of Officials.....	6
Consultants and Advisors.....	7

FINANCIAL SECTION

Independent Auditor's Report.....	8
Required Supplementary Information - Part I Management's Discussion and Analysis.....	12

BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:

A-1 Statement of Net Position.....	23
A-2 Statement of Activities.....	24

B. Fund Financial Statements:

Governmental Funds:

B-1 Balance Sheet.....	25
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances.....	27
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	28

Proprietary Funds:

B-4 Statement of Net Position.....	29
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position.....	30
B-6 Statement of Cash Flows.....	31

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position.....	32
B-8 Statement of Changes in Fiduciary Net Position.....	33

Notes to the Financial Statements.....	34
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OUTLINE OF CAFR

Required Supplementary Information - Part II

C. Budgetary Comparison Schedules:

C-1 Budgetary Comparison Schedule - General Fund... 71
C-1a Not Applicable
C-2 Budgetary Comparison Schedule - Special Revenue Fund... 76

Notes to the Required Supplementary Information
C-3 Budgetary Comparison Schedule. 77

Required Supplementary Information - Part III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

L-1 Schedule of the District's Proportionate Share of the Net Pension
Liability – PERS... 78
L-2 Schedule of District Contributions – PERS. 79
L-3 Schedule of the District's Proportionate Share of the Net Pension
Liability – TPAF... 80
L-4 Notes to Required Schedules of Supplementary Information - Part III 81

Other Supplementary Information

D. School Level Schedules:

Not Applicable

E. Special Revenue Fund:

E-1 Combining Schedule of Program Revenues and Expenditures -
Budgetary Basis. 82
E-1a Combining Schedule of Program Revenues and Expenditures -
Budgetary Basis. 83
E-2 Not Applicable
E-3 Not Applicable
E-4 Not Applicable
E-5 Not Applicable
E-6 Not Applicable

OUTLINE OF CAFR

F. Capital Projects Fund:

F-1	Summary of Revenues, Expenditures and changes in Fund Balance- Budgetary Basis.	84
F-1a	Schedule of Project Balance, and Project Status- Budgetary Basis.	85
F-2	Summary Statement of Project Expenditures.	86

G. Proprietary Funds:

Enterprise Fund:

G-1	Combining Statement of Net Position.	87
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position.	88
G-3	Combining Statement of Cash Flows.	89

Internal Service Fund:

Not Applicable

H. Fiduciary Funds:

H-1	Combining Statement of Fiduciary Net Position.	90
H-2	Combining Statement of Changes in Fiduciary Net Position.	91
H-3	Student Activity Agency Fund - Schedule of Receipts and Disbursements.	92
H-4	Payroll Agency Fund - Schedule of Receipts and Disbursements.	93

I. Long-Term Debt:

I-1	Statement of Serial Bonds.	94
I-2	Statement of Obligations under Capital Leases.	95
I-3	Debt Service Fund - Budgetary Comparison Schedule.	96

J. Statistical Section (Unaudited)

Financial Trends

J-1	Net Position by Component.	97
J-2	Changes in Net Position.	98
J-3	Fund Balances - Governmental Funds.	100
J-4	Changes in Fund Balances - Governmental Funds.	101
J-5	General Fund Other Local Revenue by Source.	102

OUTLINE OF CAFR

Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property.....	103
J-7	Direct and Overlapping Property Tax Rates.....	104
J-8	Schedule of Principal Taxpayers.....	105
J-9	School Tax Levies and Collections.....	106

Debt Capacity

J-10	Ratios of Outstanding Debt by Type.....	107
J-11	Ratios of Net General Bonded Debt Outstanding.....	108
J-12	Direct and Overlapping Governmental Activities Debt.....	109
J-13	Legal Debt Margin Information.....	110

Demographic and Economic Information

J-14	Demographic and Economic Statistics.....	111
J-15	Schedule of Principal Employers.....	112

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program.....	113
J-17	Operating Statistics.....	114
J-18	School Building Information.....	115
J-19	Schedule of Required Maintenance for School Facilities.....	116
J-20	Insurance Schedule.....	117

K. SINGLE AUDIT SECTION

K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	118
K-2	Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance and N.J. OMB Circular 15-08.....	121
K-3	Schedule of Expenditures of Federal Awards - Schedule A.....	124
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B.....	125
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.....	126
K-6	Schedule of Findings and Questioned Costs.....	128
K-7	Summary Schedule of Prior Audit Findings.....	131

INTRODUCTORY SECTION

TOWNSHIP OF BYRAM BOARD OF EDUCATION

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Superintendent of Schools
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ALICE BRESETT
Business Administrator / Board Secretary
Fax: 973-347-8794

September 2, 2016

The Honorable President and Members
Of the Board of Education
Byram Township School District
County of Sussex, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Byram Township School District (the "District") for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal, the District's organizational chart, a roster of officials and a list of consultants and advisors. The financial section includes the Independent Auditor's Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and the New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Byram Township School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Byram Township School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular as well as special education for handicapped youngsters, remedial support for non-classified students in need, an autistic program, and enrichment activities for our gifted students.

The District completed the 2015-2016 fiscal year with an average daily enrollment of 880 students, which is a decrease of 27 students from the previous year’s enrollment. The District’s average daily enrollments for the past ten years are presented below:

	<u>Average Daily Enrollment</u>	
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-16	880	-2.98%
2014-15	907	2.49%
2013-14	885	-7.62%
2012-13	958	-7.35%
2011-12	1,034	0%
2010-11	1,032	-4.71%
2009-10	1,083	-3.60%
2008-09	1,122	-4.46%
2007-08	1,172	0.26%
2006-07	1,163	1.39%

2) ECONOMIC CONDITION AND OUTLOOK: Byram Township was established on February 5, 1798 and covers more than 22.48 square miles. Byram Township is known as the “Township of Lakes” having more than two dozen lakes and ponds. Byram’s proximity to both Route 80 and 206 was instrumental in the increase in population from 1950 to approximately 8,400 in 2010. Township officials say the township will continue to focus on “regulated growth” so as to minimize the impact on township resources.

3) MAJOR INITIATIVES:

Each school year, one of the most significant concerns that the district has is the proper balance of finances and effective and efficient educational practices. Staffing plays the largest part of this balance so much attention is given to this area. Student academic growth is always a continuing goal of the district while we continue to improve and enhance teaching strategies through professional development of our staff to aid in student success. The incorporation of technology in teaching and learning continues to be a tool to best reach the interest level of students and most efficiently tap into new educational avenues. The STAR Reading program is a technology based program that is utilized to assess students’ strengths and weaknesses in language arts. The information gleaned from this program allows the teachers to reinforce the strengths of the individual students while also identifying a focus for student deficiencies. Benchmark assessments to show student growth will be administered at least three times per year. Last year the program was piloted at the intermediate school level and will be utilized at the elementary level this school year. In conjunction with this program, the district has entered into its second year in a new language arts program from Houghton-Mifflin called Journeys at the K-4 level to help support the needs of these young emerging readers. The elementary staff has a year under their belt with is new series and will continue to uncover all that the new program makes available to them and their students through a deeper understanding of the series and appropriate professional development. This series also incorporates a technology component and ties very well with the Reader’s Workshop program already incorporated by the district. The Intermediate School continues to incorporate a language arts program that utilizes core novels to address specific themes and inspire critical thinking. We continue to be excited about the prospect of the positive educational impacts these new programs will have working in conjunction with the third year of our district’s full day kindergarten program giving our students the skills to be successful later in their

academic careers. We anticipate seeing long term gains across the board as a result of the programs and the implementation of full day kindergarten.

Chromebooks continue to be a staple instructional tool for our students in grades 3-8 as we maintain our one to one Chromebook program. Chromebooks will continue to be purchased on a scheduled cycle program to ensure the students have properly working devices. The same is true regarding the SMARTboard technology in the district. We continue to monitor and purchase SMARTboard units on a cycle based on useful life or also as units cease to work properly. The district is also continuing our world language program at the elementary school levels in grades K-4 where much of its materials are technology based. The district now offers Spanish in grades K-8.

The physical facility and grounds are constantly being inspected for opportunities to maintain the plant and grounds are in proper working order and also address potential safety concerns. The parking lot at the Byram Lakes Elementary School has been milled and repaved with extended trench drains to alleviate pooling water. The pavers making up the sidewalks at this school have also been replaced with concrete sidewalks. The school district has also purchased a new smaller capacity bus to replace one that has reached its useful life limit. Lastly, the area of the intermediate school identified as open space has been cleared this year of scheduled student instructional space as ideas of how to use the space in the most effective and efficient manner moving forward are discussed.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assigned fund balance at June 30, 2016.

6) ACCOUNTING SYSTEM REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. The funds are explained in "Notes to the Basic Financial Statements", Note 2.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which required it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The School Alliance Insurance Fund (SAIF) oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

The Board is a member of the School Alliance Insurance Fund (SAIF). SAIF is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members. Additional information on the SAIF is included in Note 11 to the Basic Financial Statements.

9) DEBT ADMINISTRATION: The district refinanced its 2006 Bonds in December 2015 which resulted in a significant savings over the remaining life of the bonds. At June 30, 2016, the District had \$3,540,000 in outstanding bonds and \$113,224 in Early Retirement Incentive Program obligations.

10) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva was selected by the Board of Education at its last organization meeting. In addition to meeting the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey OMB Circular NJOMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific required supplementary information is included in the single audit section of this report.

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

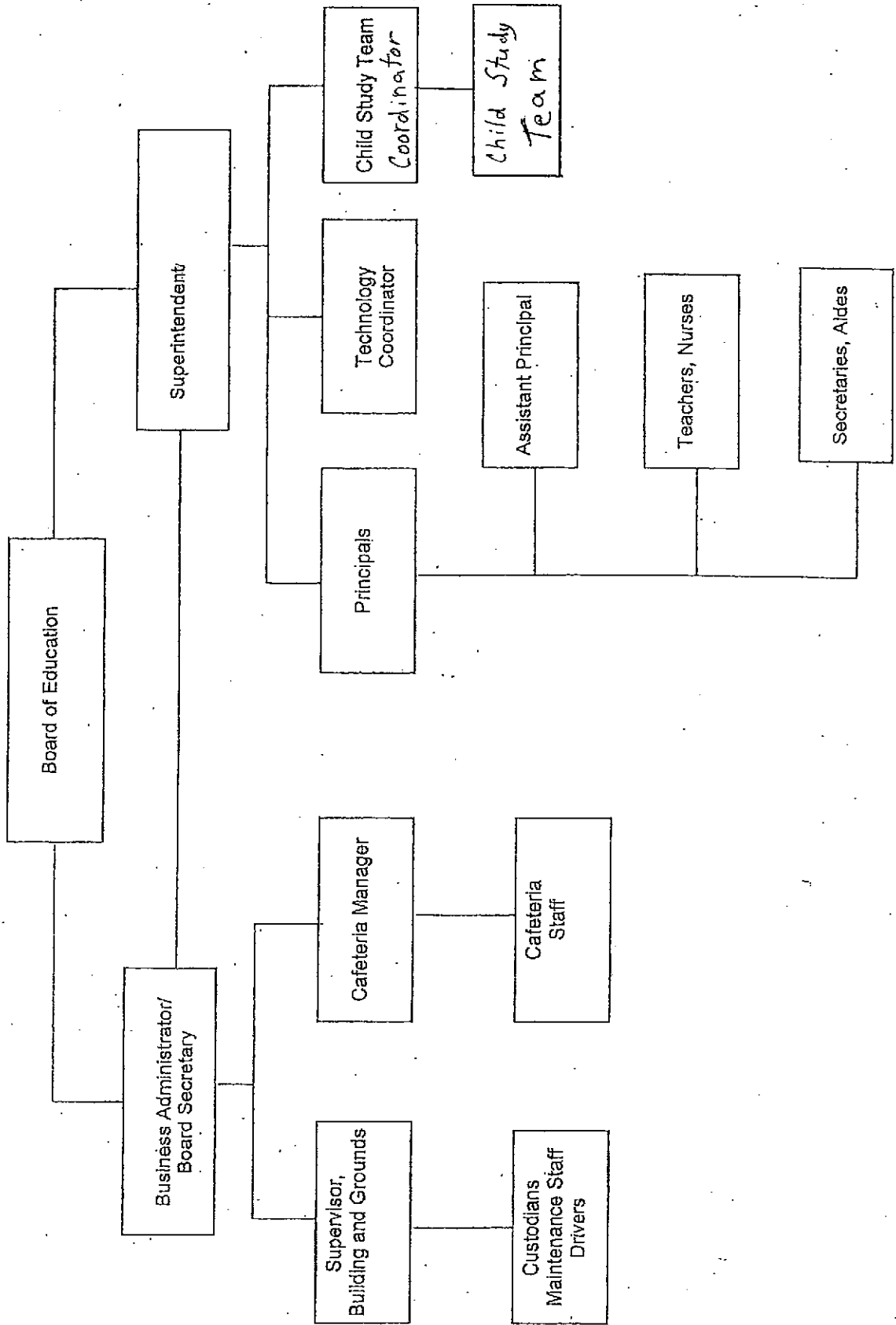
Respectfully submitted,

Bryan Hensz
Bryan Hensz
Superintendent

Alice Bresett
Alice Bresett
Business Administrator

BYRAM TOWNSHIP BOARD OF EDUCATION

Organizational Chart/Chain of Command



BYRAM TOWNSHIP SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2016

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Andrew McElroy, President	2016
Kathleen Walsh, Vice President	2018
Kim Dachisen	2018
Shelley Credidio	2016
Kelley Dilley	2017
MaryAnn Risley	2017
Lori Sanchez	2017

Other Officials

Bryan Hensz, Superintendent of Schools

Alice Bresett, Business Administrator/Board Secretary

Kerry A. Keane, Treasurer of School Monies

BYRAM TOWNSHIP SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Byram Township School District
County of Sussex, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Byram Township School District, in the County of Sussex, State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



Honorable President and
Members of the Board of Education
Page 2.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Byram Township Board of Education, in the County of Sussex, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Honorable President and
Members of the Board of Education
Page 3.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Byram Township Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data 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 September 2, 2016 on our consideration of the Byram Township Board of Education'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

Honorable President and
Members of the Board of Education
Page 4.

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 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 Byram Township Board of Education's internal control over financial reporting and compliance.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

September 2, 2016

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED**

As management of the Byram Township Board of Education (the “School District”), we offer readers of the School District’s financial statements this narrative overview and analysis of the financial activities of Byram Township Board of Education for the fiscal year ended June 30, 2016.

The management’s discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District’s financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District’s revenues and expenditures by program for the General Fund, Special Revenue Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased \$677,711.43 , which represents a 6.69% increase from 2015. Net position of governmental activities increased \$688,186.71 while net position of business-type activity decreased by \$10,475.28. These variances are primarily the result of excess miscellaneous revenues and unexpended budget appropriations in 2015-16 and decreased operating revenues of the business-type activities.
- General revenues accounted for \$19,227,572.59 in revenue or 97.52 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$489,729.10 or 2.48 percent of total revenues of \$19,717,301.69.
- The School District had \$18,816,628.66 in expenses related to governmental activities; only \$277,247.33 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$19,227,568.04 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to the Byram Township Board of Education’s basic financial statements. The Byram Township Board of Education’s basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the Byram Township Board of Education's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Byram Township Board of Education's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Byram Township Board of Education is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the Byram Township Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Byram Township Board of Education include instruction, support services and special schools. The business-type activities of the Byram Township Board of Education include the food service program.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Byram Township Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Byram Township Board of Education can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Byram Township Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund and debt service fund which are all considered to be major funds.

The Byram Township Board of Education adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

Proprietary Funds

The Byram Township Board of Education maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The Byram Township Board of Education uses enterprise funds to account for its food service program.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the Byram Township Board of Education's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net positions were \$10,808,393.17 at June 30, 2016 and \$10,130,681.74 at June 30, 2015. Restricted items of net positions are reported separately to show legal constraints that limit the School District's ability to use those items for day-to-day operations. Our analysis below focuses on the net position for 2016 compared to 2015 (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and Other Assets	\$3,049,699.29	\$2,743,349.68	\$49,172.64	\$52,620.05	\$3,098,871.93	\$2,795,969.73
Capital Assets	<u>14,782,354.00</u>	<u>15,129,735.00</u>	<u>36,093.08</u>	<u>46,810.48</u>	<u>14,818,447.08</u>	<u>15,176,545.48</u>
Total Assets	<u>17,832,053.29</u>	<u>17,873,084.68</u>	<u>85,265.72</u>	<u>99,430.53</u>	<u>17,917,319.01</u>	<u>17,972,515.21</u>
Deferred Outflows	<u>633,785.00</u>	<u>351,349.00</u>	_____	_____	<u>633,785.00</u>	<u>351,349.00</u>
Other Liabilities	280,374.67	509,010.12	15,879.31	19,568.84	296,253.98	528,578.96
Long Term Liabilities	<u>7,197,425.86</u>	<u>7,422,700.50</u>	_____	_____	<u>7,197,425.86</u>	<u>7,422,700.50</u>
Total Liabilities	<u>7,477,800.53</u>	<u>7,931,710.62</u>	<u>15,879.31</u>	<u>19,568.84</u>	<u>7,493,679.84</u>	<u>7,951,279.46</u>
Deferred Inflows	<u>249,031.00</u>	<u>241,903.00</u>	_____	_____	<u>249,031.00</u>	<u>241,903.00</u>
Net Position						
Invested in Capital Assets-						
Net of Debt	11,239,558.67	11,087,275.00	36,093.08	46,810.48	11,275,651.75	11,134,085.48
Restricted	2,423,557.71	2,073,213.71			2,423,557.71	2,073,213.71
Unrestricted	<u>(2,924,109.62)</u>	<u>(3,109,668.66)</u>	<u>33,293.33</u>	<u>33,051.21</u>	<u>(2,890,816.29)</u>	<u>(3,076,617.45)</u>
Total Net Position	<u>\$10,739,006.76</u>	<u>\$10,050,820.05</u>	<u>\$69,386.41</u>	<u>\$79,861.69</u>	<u>\$10,808,393.17</u>	<u>\$10,130,681.74</u>

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2016 compared to 2015.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program Revenues:						
Charges for Services and Sales	\$13,000.00	\$12,125.00	\$164,273.15	\$174,599.59	\$177,273.15	\$186,724.59
Operating Grants and Contributions	264,247.33	248,798.50	48,208.62	52,832.15	312,455.95	301,630.65
General Revenues:						
Taxes:						
Property taxes	11,679,738.00	11,462,040.00			11,679,738.00	11,462,040.00
Tuition	46,080.40	14,741.00			46,080.40	
Federal and State Aid not Restricted	7,508,588.55	6,613,083.82			7,508,588.55	6,613,083.82
Facilities Grant		350,884.40			0.00	
Miscellaneous Income	88,161.09	161,723.46	4.55	3.34	88,165.64	161,726.80
Extraordinary Item	<u>(95,000.00)</u>	<u> </u>	<u> </u>	<u> </u>	<u>(95,000.00)</u>	<u> </u>
Total Revenues, Extraordinary Item and Transfers	<u>19,504,815.37</u>	<u>212,486.32</u>	<u>212,486.32</u>	<u>227,435.08</u>	<u>19,717,301.69</u>	<u>18,725,205.86</u>

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Functions/Program	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Instruction:						
Regular	\$5,785,991.01	\$6,239,377.40			\$5,785,991.01	\$6,239,377.40
Special	1,976,884.16	1,711,439.90			1,976,884.16	1,711,439.90
Other Special Instruction	280,705.88	192,632.70			280,705.88	192,632.70
Other Instruction	83,512.72	79,035.20			83,512.72	79,035.20
Support Services:						
Tuition	371,016.41	222,984.97			371,016.41	222,984.97
Student & Instruction Related Services	2,265,455.69	1,986,770.30			2,265,455.69	1,986,770.30
School Administrative Services	604,541.19	635,188.55			604,541.19	635,188.55
General Administrative Services	478,373.15	461,674.39			478,373.15	461,674.39
Central Services and Info. Tech.	449,424.92	497,125.79			449,424.92	497,125.79
Plant Operations and Maintenance	1,347,036.37	1,270,621.02			1,347,036.37	1,270,621.02
Pupil Transportation	607,538.81	539,640.86			607,538.81	539,640.86
Unallocated Benefits	3,565,948.58	2,797,427.84			3,565,948.58	2,797,427.84
Unallocated depreciation	800,474.00	723,359.00			800,474.00	723,359.00
Charter Schools	136,291.00	81,238.00			136,291.00	81,238.00
Interest on Long-Term Debt	43,909.00	221,437.50			43,909.00	221,437.50
Capital Outlay	19,525.77	37,734.15			19,525.77	37,734.15
Food Service			<u>\$222,961.60</u>	<u>\$234,569.27</u>	<u>222,961.60</u>	<u>234,569.27</u>
Total Expenses and Transfers	<u>18,816,628.66</u>	<u>17,697,687.57</u>	<u>222,961.60</u>	<u>234,569.27</u>	<u>19,039,590.26</u>	<u>17,932,256.84</u>
Increase or (Decrease) in Net Position	<u>\$688,186.71</u>	<u>(\$17,485,201.25)</u>	<u>(\$10,475.28)</u>	<u>(\$7,134.19)</u>	<u>\$677,711.43</u>	<u>\$792,949.02</u>

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$19,039,590.26. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$11,679,738.00 because some of the cost was paid by those who benefited from the programs \$177,273.15, by other governments and organizations who subsidized certain programs with grants and contributions \$312,455.95, and by miscellaneous sources \$19,227,572.54.

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service expenses exceeded revenues by \$10,479.83.
- ✓ Charges for services provided totaled \$164,273.15. This represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$48,208.62.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2016, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and/or to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$73,534.00 for increase in federal and local grant awards.

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

General Fund

The general fund actual revenue was \$16,583,380.04. That amount is \$1,864,198.04 above the final amended budget of \$14,719,182.00. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$1,628,376.55 for TPAF pension and social security reimbursements and \$235,821.49 for excesses in other anticipated revenues.

The actual expenditures of the general fund were \$16,143,105.97 including transfers which is \$136,313.74 above the final amended budget of \$16,006,792.23. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$1,628,376.55 for TPAF pension and social security reimbursements and \$1,492,062.81 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$16,583,380.04 and total expenditures and transfers of \$16,143,105.97 with an ending fund balance of \$3,186,460.15 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$257,647.33. That amount is \$23,361.67 less than the final amended budget of \$281,009.00.

The actual expenditures of the special revenue fund were \$257,647.33, which is \$23,361.67 less than the final amended budget of \$281,009.00.

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2016 the School District had \$26,742,288.00 invested in sites, buildings and equipment. Of this amount, \$11,923,840.92 in depreciation has been taken over the years. We currently have a net book value of \$14,818,447.08. Total additions for the year were \$453,093.00, the majority of which was for technology equipment, facility improvements, maintenance equipment and construction in progress. Table 3 shows fiscal year 2016 balances compared to 2015.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Construction in Progress	\$82,250.00	\$943,011.00	\$	\$		\$943,011.00
Land	2,136,587.00	2,136,587.00			\$2,136,587.00	\$2,136,587.00
Buildings and Improvements	11,672,987.00	11,178,689.00			11,672,987.00	11,178,689.00
Furniture, Equipment and Vehicles	890,530.00	871,448.00	36,093.08	46,810.48	926,623.08	918,258.48
	<u>\$14,782,354.00</u>	<u>\$15,129,735.00</u>	<u>\$36,093.08</u>	<u>\$46,810.48</u>	<u>\$14,818,447.08</u>	<u>\$15,176,545.48</u>

For more detailed information, please refer to the Notes to Basic Financial Statements.

Outstanding Long-Term Liabilities

At June 30, 2016, the District had \$7,197,425.86 of long-term liabilities. Of this amount, \$234,881.53 is for compensated absences; \$3,540,000.00 is for serial bonds for school construction; \$2,795.33 is for capital leases; \$113,224.00 is for the Early Retirement Incentive Program; and \$3,306,525.00 is for net pension liability.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>2016</u>	<u>2015</u>
2015 Refunding School Bonds	\$3,540,000.00	\$
2006 Refunding School Bonds		4,075,000.00
Less: Deferred Interest on Refundable Bonds		(51,596.00)
Net General Obligation Bonds	<u>\$3,540,000.00</u>	<u>\$4,023,404.00</u>

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)

For the Future

The 2016-2017 school year realized a modest gain in state aid due to the enrollment of an additional choice students. Future funding levels continue to remain uncertain due to the economy of the state. National Healthcare could have a significant negative impact on the Byram Township School District's budget during the upcoming years and we will continue to monitor the situation. We continue to address facility, security and technology needs despite the economic challenges and a two percent cap. All Byram students are provided a superior education using the resources available.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Alice Bresett, School Business Administrator/Board Secretary at Byram Township Board of Education, 12 Mansfield Drive, Stanhope, NJ 07874.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	530,536.97	40,311.06	570,848.03
Receivables, net	197,405.33	1,920.00	199,325.33
Inventory		6,941.58	6,941.58
Restricted Assets:			
Capital Reserve Account - Cash	2,321,756.99		2,321,756.99
Capital Assets :			
Sites (Land) / Construction in Progress	2,218,837.00		2,218,837.00
Depreciable Buildings, Improvements and Equipment (net)	12,563,517.00	36,093.08	12,599,610.08
Total Assets	<u>17,832,053.29</u>	<u>85,265.72</u>	<u>17,917,319.01</u>
DEFERRED OUTFLOWS			
Deferred Outflows of Resources Related to PERS - Pension	<u>633,785.00</u>		<u>633,785.00</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	280,374.67	12,677.79	293,052.46
Advanced Revenue	-	3,201.52	3,201.52
Noncurrent Liabilities:			
Due within one year	701,999.33		701,999.33
Due beyond one year	6,495,426.53		6,495,426.53
Total Liabilities	<u>7,477,800.53</u>	<u>15,879.31</u>	<u>7,493,679.84</u>
DEFERRED INFLOWS			
Deferred Inflows of Resources Related to PERS - Pension	<u>249,031.00</u>		<u>249,031.00</u>
NET POSITION			
Invested in Capital Assets, net of Related Debt	11,239,558.67	36,093.08	11,275,651.75
Restricted for:			
Debt Service	34,259.32		34,259.32
Capital Projects	2,389,298.39		2,389,298.39
Unrestricted (Deficit)	(2,924,109.62)	33,293.33	(2,890,816.29)
Total Net Position	<u>10,739,006.76</u>	<u>69,386.41</u>	<u>10,808,393.17</u>

See Accompanying Notes to Financial Statements.

BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	4,519,551.84	1,266,459.17		240,321.00	(5,545,670.01)		(5,545,670.01)
Special Education	1,505,522.53	471,361.63			(1,976,884.16)		(1,976,884.16)
Other Special Instruction	213,423.74	67,282.14			(280,705.88)		(280,705.88)
Other Instruction	64,523.12	18,989.60	13,000.00		(70,512.72)		(70,512.72)
Support services:							
Tuition	371,016.41	-			(371,016.41)		(371,016.41)
Student & Instruction Related Services	1,867,892.35	397,563.34		23,926.33	(2,241,529.36)		(2,241,529.36)
School Administrative Services	459,591.36	144,949.83			(604,541.19)		(604,541.19)
General Administrative Services	369,042.32	109,330.83			(478,373.15)		(478,373.15)
Plant Operations and Maintenance	1,200,334.15	146,702.22			(1,347,036.37)		(1,347,036.37)
Pupil Transportation	591,939.37	15,599.44			(607,538.81)		(607,538.81)
Central Services & Admin. Info. Technology	381,607.56	67,817.36			(449,424.92)		(449,424.92)
Unallocated Benefits	3,565,948.58	-			(3,565,948.58)		(3,565,948.58)
Capital Outlay - Non-depreciable	19,525.77	-			(19,525.77)		(19,525.77)
Charter Schools	136,291.00	-			(136,291.00)		(136,291.00)
Interest on Long-term Debt	43,909.00	-			(43,909.00)		(43,909.00)
Unallocated Depreciation	800,474.00	-			(800,474.00)		(800,474.00)
Total Governmental Activities	16,110,593.10	2,706,035.56	13,000.00	264,247.33	(18,539,381.33)	-	(18,539,381.33)
Business-type Activities:							
Food Service	222,961.60		164,273.15	48,208.62		(10,479.83)	(10,479.83)
Total Business-type Activities	222,961.60		164,273.15	48,208.62		(10,479.83)	(10,479.83)
Total Primary Government	16,333,554.70		177,273.15	312,455.95	(18,539,381.33)		(18,549,861.16)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					10,903,688.00		10,903,688.00
Taxes Levied for Debt Service					776,050.00		776,050.00
Federal and State Aid not Restricted					7,508,588.55		7,508,588.55
Tuition Received					46,080.40		46,080.40
Investment Earnings					2,016.46	4.55	2,021.01
Miscellaneous Income					86,144.63		86,144.63
Extraordinary Item - Loss on Refunding Bonds Issued					(95,000.00)		(95,000.00)
Total General Revenues, Special Items, Extraordinary Items and Transfers					19,227,568.04	4.55	19,227,572.59
Change in Net Position					688,186.71	(10,475.28)	677,711.43
Net Position—Beginning					10,050,820.05	79,861.69	10,130,681.74
Net Position—Ending					10,739,006.76	69,386.41	10,808,393.17

See Accompanying Notes to Financial Statements.

FUND FINANCIAL STATEMENTS

BYRAM TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	412,285.45		83,992.20	34,259.32	530,536.97
Interfund Receivables	11,078.83				11,078.83
Receivables from Other Governments	109,880.00	11,078.83	41,049.20		162,008.03
Other Receivables	35,397.30				35,397.30
Restricted Cash and Cash Equivalents	2,321,756.99				2,321,756.99
Total Assets	<u>2,890,398.57</u>	<u>11,078.83</u>	<u>125,041.40</u>	<u>34,259.32</u>	<u>3,060,778.12</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	76,256.42		57,500.00		133,756.42
Interfund Payables		11,078.83			11,078.83
Total Liabilities	<u>76,256.42</u>	<u>11,078.83</u>	<u>57,500.00</u>		<u>144,835.25</u>
Fund Balances:					
Restricted for:					
Capital Reserve Account	2,321,756.99				2,321,756.99
Assigned to:					
Other Purposes - Encumbrances	465,252.30				465,252.30
Debt Service Fund				34,259.32	34,259.32
Unassigned:					
General Fund	27,132.86				27,132.86
Capital Projects Fund			67,541.40		67,541.40
Total Fund Balances	<u>2,814,142.15</u>	<u>-</u>	<u>67,541.40</u>	<u>34,259.32</u>	<u>2,915,942.87</u>
Total Liabilities and Fund Balances	<u>2,890,398.57</u>	<u>11,078.83</u>	<u>125,041.40</u>	<u>34,259.32</u>	

See Accompanying Notes to Financial Statements.

BYRAM TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2016

Total Fund Balances (Brought Forward)	2,915,942.87
Amounts reported for governmental activities in the statement of net assets (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$26,457,655.00 and the accumulated depreciation is \$11,675,301.00.	14,782,354.00
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(17,449.25)
Accounts Payable for subsequent Pension payment is not a payable in the funds	(129,169.00)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred Outflows of Resources Related to PERS Pension Liability	633,785.00
Deferred Inflows of Resources Related to PERS Pension Liability	(249,031.00)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(7,197,425.86)</u>
Net assets of governmental activities	<u><u>10,739,006.76</u></u>

See Accompanying Notes to Financial Statements.

BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Local Tax Levy	10,903,688.00			776,050.00	11,679,738.00
Tuition	21,278.60				21,278.60
Tuition Individuals	10,446.80				10,446.80
Tuition from Other Sources	14,355.00				14,355.00
Interest Earned on Investments	2,016.46				2,016.46
Miscellaneous Activity Fees	13,000.00				13,000.00
Miscellaneous	86,144.63	-			86,144.63
Total - Local Sources	<u>11,050,929.49</u>	<u>-</u>	<u>-</u>	<u>776,050.00</u>	<u>11,826,979.49</u>
State Sources	5,527,553.55	-		-	5,527,553.55
Federal Sources	-	264,247.33			264,247.33
Total Revenues	<u>16,578,483.04</u>	<u>264,247.33</u>	<u>-</u>	<u>776,050.00</u>	<u>17,618,780.37</u>
EXPENDITURES					
Current:					
Regular Instruction	4,279,230.84	240,321.00			4,519,551.84
Special Education Instruction	1,505,522.53				1,505,522.53
Other Special Instruction	213,423.74				213,423.74
Other Instruction	64,523.12				64,523.12
Support Services and Undistributed Costs:					
Tuition	371,016.41				371,016.41
Student & Instruction Related Services	1,843,966.02	23,926.33			1,867,892.35
School Administrative Services	459,591.36				459,591.36
General Administrative Services	369,042.32				369,042.32
Central Services & Admin. Info. Technology	381,607.56				381,607.56
Plant Operations and Maintenance	1,216,594.82				1,216,594.82
Pupil Transportation	591,939.37				591,939.37
Unallocated Benefits	4,237,738.11				4,237,738.11
Capital Outlay	472,618.77	-			472,618.77
Transfer to Charter School	136,291.00				136,291.00
Debt Service:					
Principal				630,000.00	630,000.00
Interest and Other Charges				111,791.00	111,791.00
Total Expenditures	<u>16,143,105.97</u>	<u>264,247.33</u>	<u>-</u>	<u>741,791.00</u>	<u>17,149,144.30</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>435,377.07</u>	<u>-</u>	<u>-</u>	<u>34,259.00</u>	<u>469,636.07</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-				-
Transfers out	-				-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	435,377.07	-	-	34,259.00	469,636.07
Fund Balance—July 1	<u>2,378,765.08</u>		<u>67,541.40</u>	<u>0.32</u>	<u>2,446,306.80</u>
Fund Balance—June 30	<u>2,814,142.15</u>	<u>-</u>	<u>67,541.40</u>	<u>34,259.32</u>	<u>2,915,942.87</u>

See Accompanying Notes Financial Statements.

BYRAM TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2016

Total net change in fund balances - governmental funds (from B-2)		469,636.07
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
	Depreciation Expense	(800,474.00)
	Depreciable Capital Outlays	(347,381.00)
		<u>453,093.00</u>
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year, these amounts consist of:		
	Principal Payments on Capital Leases	16,260.67
	Principal Payments on Bonds Payable	630,000.00
	Principal Payments on Early Retirement Program Payable	17,740.00
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
	Refunding Bond Proceeds	(3,560,000.00)
	Bond Refunded	3,465,000.00
<i>[For further illustration purposes only; use if applicable:]</i>		
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)		
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation. The change in the accrual is an adjustment in the reconciliation.		
		67,882.00
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
	Decrease in Compensated Absences Payable	25,722.97
District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
	District Pension Contributions	126,636.00
	Less: Pension Expense	(191,325.00)
	(Increase)/Decrease in Pension Expense	(64,689.00)
Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements		
	Increase in On-behalf State Aid TPAF Pension	1,981,035.00
	Increase in On-behalf TPAF Pension Expense	(1,981,035.00)
The governmental funds report the effect of bond premiums when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities. (+)		
		63,794.00
The governmental funds report the effect of deferred interest when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities. (-)		
		(51,596.00)
The governmental funds report the effect of issuance costs when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities. (-)		
		(44,183.00)
Change in net position of governmental activities		<u><u>688,186.71</u></u>

See Accompanying Notes Financial Statements.

BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-Type Activities - Enterprise Fund	
	Food Service Program	Total Enterprise Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	40,311.06	40,311.06
Accounts Receivable:		
State	103.85	103.85
Federal	1,816.15	1,816.15
Inventories	6,941.58	6,941.58
Total Current Assets	49,172.64	49,172.64
Noncurrent Assets:		
Capital Assets:		
Equipment	284,633.00	284,633.00
Less Accumulated Depreciation	(248,539.92)	(248,539.92)
Total Capital Assets (Net of Accumulated Depreciation)	36,093.08	36,093.08
Total Assets	85,265.72	85,265.72
LIABILITIES		
Current Liabilities:		
Accounts Payable	12,677.79	12,677.79
Advanced Revenue	3,201.52	3,201.52
Total Current Liabilities	15,879.31	15,879.31
NET POSITION		
Invested in Capital Assets Net of Related Debt	36,093.08	36,093.08
Unrestricted	33,293.33	33,293.33
Total Net Position	69,386.41	69,386.41

See Accompanying Notes Financial Statements.

BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Fund	
	Food Service Program	Total Enterprise Fund
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	98,000.72	98,000.72
Daily Sales - Non-Reimbursable Programs	62,299.85	62,299.85
Special Functions	3,972.58	3,972.58
Total Operating Revenues	164,273.15	164,273.15
 Operating Expenses:		
Cost of Sales	79,273.77	79,273.77
Salaries	81,914.10	81,914.10
Supplies and Materials	14,324.73	14,324.73
Management Fee	10,100.00	10,100.00
Cleaning Repair & Maintenance	6,308.21	6,308.21
Miscellaneous Expense	17,567.96	17,567.96
General Supplies	2,755.43	2,755.43
Depreciation	10,717.40	10,717.40
Total Operating Expenses	222,961.60	222,961.60
Operating Income (Loss)	(58,688.45)	(58,688.45)
 Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	1,810.03	1,810.03
Federal Sources:		
National School Lunch Program	30,499.51	30,499.51
Food Distribution Program	15,899.08	15,899.08
Interest and Investment Revenue	4.55	4.55
Total Nonoperating Revenues (Expenses)	48,213.17	48,213.17
Income (Loss) Before Contributions & Transfers	(10,475.28)	(10,475.28)
 Transfers In (Out)	-	-
Change in Net Position	(10,475.28)	(10,475.28)
Total Net Position—Beginning	79,861.69	79,861.69
Total Net Position—Ending	69,386.41	69,386.41

See Accompanying Notes to Financial Statements.

BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Fund	
	Food Service Program	Total Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	164,273.15	164,273.15
Payments to Employees	(81,914.10)	(81,914.10)
Payments to Suppliers	(117,511.93)	(117,511.93)
Net Cash Provided by (Used for) Operating Activities	(35,152.88)	(35,152.88)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	1,889.44	1,889.44
Federal Sources	31,689.90	31,689.90
Management Company Subsidy	-	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	33,579.34	33,579.34
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	4.55	4.55
Net Cash Provided by (Used for) Investing Activities	4.55	4.55
Net Increase (Decrease) in Cash and Cash Equivalents	(1,568.99)	(1,568.99)
Balances—Beginning of Year	41,880.05	41,880.05
Balances—End of Year	40,311.06	40,311.06
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	(58,688.45)	(58,688.45)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided		
(Used for) Operating Activities		
Depreciation and Net Amortization	10,717.40	10,717.40
Food Distribution Program Donated Commodities	15,899.08	15,899.08
(Increase) Decrease in Inventories	608.62	608.62
Increase (Decrease) in Accounts Payable	(4,429.64)	(4,429.64)
Increase (Decrease) in Advanced Revenue	740.11	740.11
Total Adjustments	23,535.57	23,535.57
Net Cash Provided by (Used for) Operating Activities	(35,152.88)	(35,152.88)

See Accompanying Notes to Financial Statements.

BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	72,045.77	208,655.56
Total Assets	<u>72,045.77</u>	<u>208,655.56</u>
LIABILITIES		
Payable to Student Groups		58,092.17
Payroll Deductions and Withholdings		150,563.39
Total Liabilities	<u>-</u>	<u>208,655.56</u>
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	<u>72,045.77</u>	

See Accompanying Notes to Financial Statements.

**BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016**

	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS	
Contributions:	
Plan Member	15,431.90
Board - Budget	45,000.00
Total Contributions	<u>60,431.90</u>
Investment Earnings:	
Interest	4.14
Net Investment Earnings	<u>4.14</u>
Total Additions	<u>60,436.04</u>
DEDUCTIONS	
Unemployment Claims	43,416.68
Total Deductions	<u>43,416.68</u>
Change in Net Assets	17,019.36
Net Position—Beginning of the Year	55,026.41
Net Position—End of the Year	<u><u>72,045.77</u></u>

See Accompanying Notes to Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:

The Board of Education (“Board”) of the Township of Byram School District (“District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Township of Byram School District is a Type II district located in the County of Sussex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of seven members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board’s duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization’s board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board of Education of the Township of Byram School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board’s accounting policies are described below.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements:

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

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

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Basis of Presentation: (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Basis of Presentation:

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, Student Activities Fund and Payroll Agency Fund.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Measurement Focus: (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

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

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Basis of Accounting: (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education made a supplemental budgetary appropriation during the fiscal year of \$440,915.00 for parking lot improvements and \$27,986.00 for various equipment.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

E. Encumbrances:

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

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

F. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

G. Tuition Revenues/Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

H. Tuition Payable:

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

I. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

L. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

L. Capital Assets: (continued)

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

M. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

N. Unearned/Advanced Revenue:

Unearned/advanced revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned/advanced revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

O. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

O. Accrued Liabilities and Long-term Obligations: (continued)

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

P. Accounting and Financial Reporting for Pensions:

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

P. Accounting and Financial Reporting for Pensions: (continued)

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

R. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

R. Fund Balances: (continued)

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

S. Net Position:

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

S. Net Position: (continued)

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

T. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

U. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

V. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

W. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

X. Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27”. This statement, which is effective for fiscal periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Governmental Accounting Standards Board (GASB) issued Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68”. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Government Accounting Standards Board issued GASB Statement No. 72, Fair Value Measurement and Application. This Statement is effective for fiscal years beginning after June 15, 2015. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement is effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

X. Recent Accounting Pronouncements: (continued)

The Government Accounting Standards Board issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 77, *Tax Abatement Disclosures*, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The District believes this Statement will have no impact on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which establishes the criteria for identifying the applicable pension plans and addresses measurement and recognition for pension liabilities, expense and expenditures; note disclosures of descriptive information about the plan, benefit terms, and contributions items; and required supplementary information presenting required contribution amounts for the past 10 fiscal years. The District is currently reviewing what effect this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 79, *Certain External Investment Pools and Pool Participation*, which permits qualifying external investment pools to measure pool investments at amortized cost for financial reporting purposes. The District is currently reviewing what effect this Statement might have on future financial statements.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

X. Recent Accounting Pronouncements: (continued)

The Government Accounting Standards Board issued GASB Statement No. 80, *Blending Requirements for Certain Component Units*, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The District does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The District does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for reporting periods beginning after June 15, 2016. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

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 District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2016, \$-0- of the District's bank balance of \$3,422,955.39 was exposed to custodial credit risk.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 4. RECEIVABLES:

Receivables at June 30, 2016, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
State Aid	\$150,929.20	\$103.85	\$151,033.05
Federal Aid	11,078.83	1,816.15	12,894.98
Other	35,397.30		35,397.30
Interfunds	<u>11,078.83</u>		
Gross Receivables	208,484.16	1,920.00	199,325.33
Less: Allowance for Uncollectibles	_____	_____	_____
Total Receivables, Net	<u>\$208,484.16</u>	<u>\$1,920.00</u>	<u>\$199,325.33</u>

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 5. INTERFUND BALANCES AND ACTIVITY:

Balance due to/from other funds at June 30, 2016 consist of the following:

Due to the General Fund from the Special Revenue Fund for short term loans.	<u>\$11,078.83</u>
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It is anticipated that all interfunds will be liquidated within the fiscal year.

NOTE 6. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Restated Balance <u>6/30/15</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/16</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Construction in Progress	\$943,011.00	\$24,750.00	\$(885,511.00)	\$82,250.00
Sites (Land)	<u>2,136,587.00</u>	<u> </u>	<u> </u>	<u>2,136,587.00</u>
Total Capital Assets, Not Being Depreciated	<u>3,079,598.00</u>	<u>24,750.00</u>	<u>(885,511.00)</u>	<u>2,218,837.00</u>
Capital Assets Being Depreciated				
Buildings and Improvements	19,997,602.00	164,484.00	885,511.00	21,047,597.00
Furniture, Equipment and Vehicles	<u>2,966,554.00</u>	<u>263,859.00</u>	<u>(39,192.00)</u>	<u>3,191,221.00</u>
Total Capital Assets, Being Depreciated	<u>22,964,156.00</u>	<u>428,343.00</u>	<u>846,319.00</u>	<u>24,238,818.00</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(8,818,913.00)	(555,697.00)	<u> </u>	(9,374,610.00)
Furniture, Equipment and Vehicles	<u>(2,095,106.00)</u>	<u>(244,777.00)</u>	<u>39,192.00</u>	<u>(2,300,691.00)</u>
Total Accumulated Depreciation	<u>(10,914,019.00)</u>	<u>(800,474.00)</u>	<u>39,192.00</u>	<u>(11,675,301.00)</u>
Total Capital Assets, Being Depreciated, Net	<u>12,050,137.00</u>	<u>(372,131.00)</u>	<u>885,511.00</u>	<u>12,563,517.00</u>
Governmental Activities Capital Assets, Net	<u>\$15,129,735.00</u>	<u>(\$347,381.00)</u>	<u>\$0.00</u>	<u>\$14,782,354.00</u>

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 6. CAPITAL ASSETS:

	<u>Balance</u> <u>6/30/15</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/16</u>
Business-Type Activity				
Furniture and Equipment	\$284,633.00	\$	\$	\$284,633.00
Totals	<u>284,633.00</u>	<u>0.00</u>	<u></u>	<u>284,633.00</u>
Less Accumulated Depreciation				
Furniture and Equipment	<u>(237,822.52)</u>	<u>(10,717.40)</u>	<u></u>	<u>(248,539.92)</u>
Total Accumulated Depreciation	<u>(237,822.52)</u>	<u>(10,717.40)</u>	<u>0.00</u>	<u>(248,539.92)</u>
Business-Type Activity Capital Assets, Net	<u>\$46,810.48</u>	<u>(\$10,717.40)</u>	<u>\$0.00</u>	<u>\$36,093.08</u>

Depreciation expense was charged governmental functions as follows:

Unallocated Depreciation	<u>\$800,474.00</u>
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NOTE 7. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the year ended June 30, 2016 were as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>	<u>Long-term</u> <u>Portion</u>
Governmental Activities:						
Bonds Payable:						
General Obligation Debt	\$4,075,000.00	\$3,560,000.00	(\$4,095,000.00)	\$3,540,000.00	\$680,000.00	\$2,860,000.00
Less: Deferred Interest	<u>(51,596.00)</u>	<u></u>	<u>51,596.00</u>	<u>0.00</u>	<u></u>	<u>0.00</u>
Total Bonds Payable	<u>4,023,404.00</u>	<u>3,560,000.00</u>	<u>(4,043,404.00)</u>	<u>3,540,000.00</u>	<u>680,000.00</u>	<u>2,860,000.00</u>
Other Liabilities:						
Compensated Absences Payable	260,604.50	6,932.50	(32,655.47)	234,881.53		234,881.53
Capital Leases Payable	19,056.00		(16,260.67)	2,795.33	2,795.33	0.00
Net Pension Liability - PERS	2,988,672.00	317,853.00		3,306,525.00		3,306,525.00
Unfunded Pension Obligation	<u>130,964.00</u>	<u></u>	<u>(17,740.00)</u>	<u>113,224.00</u>	<u>19,204.00</u>	<u>94,020.00</u>
Total Other Liabilities	<u>3,399,296.50</u>	<u>324,785.50</u>	<u>(66,656.14)</u>	<u>3,657,425.86</u>	<u>21,999.33</u>	<u>3,635,426.53</u>
Total Governmental Activities	<u>\$7,422,700.50</u>	<u>\$3,884,785.50</u>	<u>(\$4,110,060.14)</u>	<u>\$7,197,425.86</u>	<u>\$701,999.33</u>	<u>\$6,495,426.53</u>

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 7. LONG-TERM OBLIGATION ACTIVITY: (continued)

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Outstanding bonds payable at June 30, 2016 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2016</u>
\$3,560,000.00 School Refunding Bonds Series 2015	12/16/2015	1.69%	3/15/2021	<u>\$3,540,000.00</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$680,000.00	\$59,826.00	\$739,826.00
2018	695,000.00	48,334.00	743,334.00
2019	705,000.00	36,588.50	741,588.50
2020	720,000.00	24,674.00	744,674.00
2021	<u>740,000.00</u>	<u>12,506.00</u>	<u>752,506.00</u>
	<u>\$3,540,000.00</u>	<u>\$181,928.50</u>	<u>\$3,721,928.50</u>

B. Bonds Authorized But Not Issued

As of June 30, 2016 the Board had no authorized but not issued bonds.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 7. LONG-TERM OBLIGATION ACTIVITY: (continued)

C. Capital Leases

The District is leasing copiers under capital leases. The following is a schedule of the future minimum lease payments under this capital lease and the net minimum lease payments at June 30, 2016:

Year Ending <u>June 30,</u> 2017	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	\$2,795.33	\$18.67	\$2,814.00
Total minimum lease payments	<u>\$2,795.33</u>	<u>\$18.67</u>	<u>\$2,814.00</u>

D. Early Retirement Incentive Program

The District’s obligation for principal and interest payments under the Early Retirement Incentive Program (ERIP) is as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$19,204.00	\$9,340.00	\$28,544.00
2018	20,788.00	7,756.00	28,544.00
2019	22,503.00	6,041.00	28,544.00
2020	24,360.00	4,184.00	28,544.00
2021	<u>26,369.00</u>	<u>2,175.00</u>	<u>28,544.00</u>
	<u>\$113,224.00</u>	<u>\$29,496.00</u>	<u>\$142,720.00</u>

NOTE 8. PENSION PLANS:

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey 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 or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Contribution Requirements Fund Based Statements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

During the year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board’s contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year <u>Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/16	\$126,636.00	\$9,649.09
6/30/15	131,595.00	6,893.01
6/30/14	129,430.00	3,012.34

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year <u>Ending</u>	<u>Pension Contributions</u>	<u>NCGI Premium</u>	<u>Post-Retirement Medical Contributions</u>
6/30/16	\$490,548.00	\$24,436.00	\$612,203.00
6/30/15	326,200.00	23,469.00	555,098.00
6/30/14	242,595.00	21,413.00	432,875.00

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$500,189.55 during the year ended June 30, 2016 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

Legislation enacted during 1993 provides early retirement incentives for certain members of the TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1993 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board offered the early retirement incentive program (ERIP) to its employees for both PERS and TPAF.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2016, the District reported a liability of \$3,306,525.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2015, the District's proportion was 0.0147297098 percent, which was an increase/(decrease) of (0.0012330877) percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$191,325.00. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$355,094.00	\$
Net difference between projected and actual earnings on pension plan investments		53,163.00
Difference in actual and expected experience	78,882.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	70,640.00	195,868.00
District contributions subsequent to the measurement date	<u>129,169.00</u>	<u> </u>
Total	<u>\$633,785.00</u>	<u>\$249,031.00</u>

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

The \$129,169.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$69,327.00
2018	69,327.00
2019	110,415.00
2020	62,417.00

Additional Information

Local Group Collective balances at June 30, 2015 and 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
District's Proportion	0.0147297098%	0.0159627975%

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the July 1, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Long-Term Rate of Return, (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
Reit	4.25%	5.12%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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 the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
District's proportionate share of the pension liability	\$4,109,606	\$3,306,525	\$2,633,227

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2016 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>40,878,797</u>
	<u>\$40,878,797</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2015, the proportion of the TPAF net pension liability associated with the District was 0.0646772711%.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue of \$2,496,019.00 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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 TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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 the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 9. POST-RETIREMENT BENEFITS:

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

NOTE 10. SPECIAL PAY DEFERRAL PLAN:

Effective December 19, 2012, the District implemented a Special Pay Deferral Plan in accordance with Section 403(b) of the Internal Revenue Code. This plan will allow employees who are 50 years of age or older and have a minimum accumulated leave of \$1,000 to contribute the value of these benefits to a Tax-Sheltered Custodial Account for distribution after the participant reaches age 70-1/2. Distribution may be made in the form of a line annuity, 50% qualified joint and survivor annuity, installments, or as a lump sum distribution.

NOTE 11. DEFERRED COMPENSATION:

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

American Funds	Lincoln National Insurance
AXA Equitable	MetLife
Fidelity Investments	VanGuard
First Investors	Washington National Insurance

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 11. DEFERRED COMPENSATION: (continued)

Equitable Life Assurance, Inc. is also the plan administrator for the 401(a) plan available to the Superintendent and Business Administrator/Board Secretary. Metropolitan Life is the plan administrator for the District's Internal Revenue Code Section 457 plan.

NOTE 12. RISK MANAGEMENT:

The District is exposed to various risks of loss related to general liability, automobile coverage; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has obtained insurance coverage to guard against these events to minimize the exposure to the District should they occur.

Property and Liability Insurance - The District is currently a member of the School Alliance Insurance Fund (the "Fund"). The Fund provides its members with General Liability, Auto Liability, Property, Employee Benefits Liability, Worker's Compensation and Employer Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of School District's established for the purpose of providing low-cost insurance coverage for their respective members in order to keep insurance costs at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Funds are elected.

As a member of the Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Funds were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. However, this Fund has fully reinsured the exposures above all limits subscribed to by its members. The Funds can declare and distribute dividends to members upon arrival of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Financial Statements for the Fund are available at the office of the Fund's Executive Director, 51 Everette Drive, Suite B-40, West Windsor, New Jersey 08550.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District 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 District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 12. RISK MANAGEMENT: (continued)

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$45,004.14	\$15,431.90	\$43,416.68	\$72,045.77
2014-2015	5.54	13,984.06	19,816.99	55,026.41
2013-2014	6.07	15,335.68	23,212.84	60,853.80

NOTE 13. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the Township of Byram Board of Education during the fiscal year ending June 30, 1996, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$2,005,671.99
Deposit - Board Resolution June, 2016	<u>757,000.00</u>
	2,762,671.99
Budgeted Withdrawal	<u>440,915.00</u>
Ending balance, June 30, 2016	<u><u>\$2,321,756.99</u></u>

The balance in the capital reserve account at June 30, 2016 does not exceed the balance of local support costs of uncompleted capital projects in its LFRP. Withdrawals from the capital reserve, where applicable, are for use in a DOE approved facilities project, consistent with the District’s Long Range Facilities Plan.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 14. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$2,814,142.15 General Fund fund balance at June 30, 2016, \$465,252.30 is reserved for encumbrances; \$2,321,756.99 has been reserved in the Capital Reserve Account; \$0.00 has been appropriated and included as anticipated revenue for the year ended June 30, 2017; and \$27,132.86 is unreserved and undesignated.

Debt Service Fund - Of the \$34,259.32 Debt Service Fund fund balance at June 30, 2016, \$34,259.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and \$.32 is unreserved and undesignated.

NOTE 15. CALCULATION OF EXCESS SURPLUS:

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District did not have any excess surplus at June 30, 2016.

NOTE 16. INVENTORY:

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

Food	\$5,682.36
Supplies	<u>1,259.22</u>
	<u>\$6,941.58</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 17. CONTINGENT LIABILITIES:

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

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 17. CONTINGENT LIABILITIES: (continued)

Litigation - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. The District estimates that any potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

NOTE 18. SUBSEQUENT EVENTS:

The Board has evaluated subsequent events through September 2, 2016, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

BYRAM TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	10,903,688.00		10,903,688.00	10,903,688.00	-
Tuition			-	21,278.60	21,278.60
Tuition Individuals			-	10,446.80	10,446.80
Tuition from Other Sources			-	14,355.00	14,355.00
Miscellaneous - Activity Fees	12,000.00		12,000.00	13,000.00	1,000.00
Interest on Investments	2,300.00		2,300.00	2,016.46	(283.54)
Miscellaneous	7,000.00		7,000.00	86,144.63	79,144.63
Total - Local Sources	<u>10,924,988.00</u>	<u>-</u>	<u>10,924,988.00</u>	<u>11,050,929.49</u>	<u>125,941.49</u>
State Sources:					
School Choice Aid	326,469.00		326,469.00	326,469.00	-
Categorical Transportation Aid	325,211.00		325,211.00	325,211.00	-
Categorical Special Education Aid	542,873.00		542,873.00	542,873.00	-
Equalization Aid	2,512,278.00		2,512,278.00	2,512,278.00	-
Categorical Security Aid	70,573.00		70,573.00	70,573.00	-
Reimburse Non-public Transportation Aid			-	2,956.00	2,956.00
Extraordinary Aid			-	106,924.00	106,924.00
Other State Aid - PARCC Readiness Aid	8,395.00		8,395.00	8,395.00	-
Other State Aid - Per Pupil Growth Aid	8,395.00		8,395.00	8,395.00	-
On-behalf TPAF NCGI Premium (non-budgeted)			-	24,436.00	24,436.00
On-behalf TPAF Pension Contributions (non-budgeted)			-	490,548.00	490,548.00
On-behalf TPAF Post Retirement Medical (non-budgeted)			-	613,203.00	613,203.00
TPAF Social Security (Reimbursed - Non-Budgeted)			-	500,189.55	500,189.55
Total - State Sources	<u>3,794,194.00</u>	<u>-</u>	<u>3,794,194.00</u>	<u>5,532,450.55</u>	<u>1,738,256.55</u>
TOTAL REVENUES	<u>14,719,182.00</u>	<u>-</u>	<u>14,719,182.00</u>	<u>16,583,380.04</u>	<u>1,864,198.04</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	249,702.00	75,793.15	325,495.15	324,655.15	840.00
Grades 1-5 - Salaries of Teachers	2,083,526.00	(38,041.36)	2,045,484.64	2,044,165.86	1,318.78
Grades 6-8 - Salaries of Teachers	1,640,644.00	(57,286.39)	1,583,357.61	1,581,680.79	1,676.82
Regular Programs - Home Instruction:					
Salaries of Teachers	6,500.00	(3,000.00)	3,500.00	1,920.00	1,580.00
Purchased Professional-Educational Services	2,500.00	4,500.00	7,000.00	6,963.60	36.40
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	32,153.00	30,914.60	63,067.60	63,067.60	-
Purchased Professional-Educational Services	1,500.00	(1,150.00)	350.00	350.00	-
Other Purchased Services (400-500 series)	500.00		500.00	500.00	-
General Supplies	205,400.00	13,578.94	218,978.94	217,536.78	1,442.16
Textbooks	27,600.00	9,622.05	37,222.05	37,221.06	0.99
Other Objects	1,000.00	170.00	1,170.00	1,170.00	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>4,251,025.00</u>	<u>35,100.99</u>	<u>4,286,125.99</u>	<u>4,279,230.84</u>	<u>6,895.15</u>
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities:					
Salaries of Teachers	54,000.00	(54,000.00)	-	-	-
Total Behavioral Disabilities	<u>54,000.00</u>	<u>(54,000.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Multiple Disabilities:					
Salaries of Teachers	187,996.00	(93,481.00)	94,515.00	79,942.90	14,572.10
General Supplies	2,000.00	(100.00)	1,900.00	1,376.42	523.58
Total Multiple Disabilities	<u>189,996.00</u>	<u>(93,581.00)</u>	<u>96,415.00</u>	<u>81,319.32</u>	<u>15,095.68</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,095,030.00	201,743.00	1,296,773.00	1,287,391.28	9,381.72
Other Salaries for Instruction	123,189.00	(91,000.00)	32,189.00	27,322.07	4,866.93
General Supplies	4,000.00	2,500.00	6,500.00	6,008.73	491.27
Total Resource Room/Resource Center	<u>1,222,219.00</u>	<u>113,243.00</u>	<u>1,335,462.00</u>	<u>1,320,722.08</u>	<u>14,739.92</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	64,996.00	600.00	65,596.00	64,169.14	1,426.86
Other Salaries for Instruction	30,651.00	4,349.00	35,000.00	34,937.47	62.53
General Supplies	1,000.00	600.00	1,600.00	1,504.52	95.48
Total Preschool Disabilities - Part-Time	<u>96,647.00</u>	<u>5,549.00</u>	<u>102,196.00</u>	<u>100,611.13</u>	<u>1,584.87</u>
Home Instruction:					
Salaries of Teachers	15,000.00	(10,721.41)	4,278.59	780.00	3,498.59
Purchased Professional-Educational Services		3,870.00	3,870.00	2,090.00	1,780.00
Total Preschool Disabilities - Full-Time	<u>15,000.00</u>	<u>(6,851.41)</u>	<u>8,148.59</u>	<u>2,870.00</u>	<u>5,278.59</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,577,862.00</u>	<u>(35,640.41)</u>	<u>1,542,221.59</u>	<u>1,505,522.53</u>	<u>36,699.06</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	283,484.00	(64,286.00)	219,198.00	213,331.00	5,867.00
General Supplies	1,000.00		1,000.00	92.74	907.26
Total Basic Skills/Remedial - Instruction	<u>284,484.00</u>	<u>(64,286.00)</u>	<u>220,198.00</u>	<u>213,423.74</u>	<u>6,774.26</u>
School-Sponsored Cocurricular Activities - Instruction					
Salaries	43,352.00	(6,323.25)	37,028.75	31,519.20	5,509.55
Supplies and Materials	500.00	500.00	1,000.00	638.71	361.29
Total School-Sponsored Cocurricular Activities - Instruction	<u>43,852.00</u>	<u>(5,823.25)</u>	<u>38,028.75</u>	<u>32,157.91</u>	<u>5,870.84</u>
School-Sponsored Athletics - Instruction					
Salaries	25,392.00	3,299.00	28,691.00	28,691.00	-
Purchased Services (300-500 series)	3,000.00		3,000.00	2,595.00	405.00
Supplies and Materials	500.00	600.00	1,100.00	1,079.21	20.79
Total School-Sponsored Athletics - Instruction	<u>28,892.00</u>	<u>3,899.00</u>	<u>32,791.00</u>	<u>32,365.21</u>	<u>425.79</u>
TOTAL INSTRUCTION	<u>6,186,115.00</u>	<u>(66,749.67)</u>	<u>6,119,365.33</u>	<u>6,062,700.23</u>	<u>56,665.10</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular		28,249.00	28,249.00	28,249.00	-
Tuition to Other LEAs Within the State - Special	180,231.00	39,421.61	219,652.61	217,953.04	1,699.57
Tuition to Private Schools for the Disabled - Within State	209,354.00	(83,691.20)	125,662.80	124,814.37	848.43
Total Undistributed Expenditures - Instruction:	<u>389,585.00</u>	<u>(16,020.59)</u>	<u>373,564.41</u>	<u>371,016.41</u>	<u>2,548.00</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	15,759.00		15,759.00	15,605.80	153.20
Purchased Professional and Technical Services	15,241.00	623.00	15,864.00	15,864.00	-
Total Undistributed Expend. - Attend. & Social Work	<u>31,000.00</u>	<u>623.00</u>	<u>31,623.00</u>	<u>31,469.80</u>	<u>153.20</u>
Undist. Expend. - Health Services					
Salaries	130,146.00		130,146.00	127,638.50	2,507.50
Purchased Professional and Technical Services	2,800.00	1,339.35	4,139.35	4,139.00	0.35
Supplies and Materials	6,000.00	1,070.65	7,070.65	6,882.14	188.51
Total Undistributed Expenditures - Health Services	<u>138,946.00</u>	<u>2,410.00</u>	<u>141,356.00</u>	<u>138,659.64</u>	<u>2,696.36</u>
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	356,281.00	(15,105.00)	341,176.00	329,366.36	11,809.64
Purchased Professional - Educational Services	212,000.00	61,145.00	273,145.00	263,130.25	10,014.75
Supplies and Materials	4,000.00	(340.00)	3,660.00	3,037.94	622.06
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	<u>572,281.00</u>	<u>45,700.00</u>	<u>617,981.00</u>	<u>595,534.55</u>	<u>22,446.45</u>
Undist. Expend. - Other Supp. Serv. Students-Extra Services					
Salaries	123,745.00	83,031.50	206,776.50	206,281.63	494.87
Purchased Professional - Educational Services	10,000.00	(8,357.50)	1,642.50	1,642.50	-
Supplies and Materials	2,500.00		2,500.00	166.75	2,333.25
Total Undist. Expend. - Other Supp. Serv. Students-Extra Serv.	<u>136,245.00</u>	<u>74,674.00</u>	<u>210,919.00</u>	<u>206,448.38</u>	<u>4,470.62</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	117,097.00	7,000.00	124,097.00	123,149.04	947.96
Purchased Professional - Educational Services	5,000.00		5,000.00	2,195.00	2,805.00
Supplies and Materials	2,000.00		2,000.00	1,401.40	598.60
Total Undist. Expend. - Guidance	<u>124,097.00</u>	<u>7,000.00</u>	<u>131,097.00</u>	<u>126,745.44</u>	<u>4,351.56</u>
Undist. Expend. - Child Study Team					
Salaries of Other Professional Staff	399,583.00	(60,268.93)	339,314.07	337,769.45	1,544.62
Salaries of Secretarial and Clerical Assistants	57,675.00		57,675.00	57,306.71	368.29
Purchased Professional - Educational Services	23,720.00		23,720.00	15,724.60	7,995.40
Other Purchased Prof. and Tech. Services	1,350.00		1,350.00		1,350.00
Other Purchased Services (400-500 series)	3,000.00		3,000.00	383.27	2,616.73
Misc. Purchased Services (400-500 series O/than Resid. Costs)	5,000.00	(5,000.00)	-		-
Supplies and Materials	11,000.00	2,500.00	13,500.00	10,727.02	2,772.98
Other Objects	200.00	300.00	500.00	380.00	120.00
Total Undist. Expend. - Child Study Team	<u>501,528.00</u>	<u>(62,468.93)</u>	<u>439,059.07</u>	<u>422,291.05</u>	<u>16,768.02</u>
Undist. Expend. - Improvement of Instructional Services					
Salaries of Other Professional Staff	35,875.00	27,865.73	63,740.73	63,433.69	307.04
Purchased Prof- Educational Services	34,000.00		34,000.00	34,000.00	-
Supplies and Materials	1,000.00	1,917.00	2,917.00	2,916.67	0.33
Total Undist. Expend. - Improvement of Inst. Services	<u>70,875.00</u>	<u>29,782.73</u>	<u>100,657.73</u>	<u>100,350.36</u>	<u>307.37</u>
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	30,000.00	(30,000.00)	-		-
Salries of Technology Coordinators	150,447.00	(14,000.00)	136,447.00	135,709.96	737.04
Supplies and Materials	36,600.00	(3,500.00)	33,100.00	26,258.52	6,841.48
Total Undist. Expend. - Educational Media Serv./Sch. Library	<u>217,047.00</u>	<u>(47,500.00)</u>	<u>169,547.00</u>	<u>161,968.48</u>	<u>7,578.52</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Serv.	55,300.00	(1,917.00)	53,383.00	51,221.00	2,162.00
Other Purchased Prof. and Tech. Services	6,000.00		6,000.00	1,000.00	5,000.00
Other Purchased Services (400-500 series)	12,000.00		12,000.00	8,009.63	3,990.37
Supplies and Materials	2,000.00		2,000.00	267.69	1,732.31
Total Undist. Expend. - Instructional Staff Training Serv.	<u>75,300.00</u>	<u>(1,917.00)</u>	<u>73,383.00</u>	<u>60,498.32</u>	<u>12,884.68</u>
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	213,713.00		213,713.00	208,900.00	4,813.00
Legal Services	45,000.00		45,000.00	36,339.86	8,660.14
Audit Fees	20,000.00		20,000.00	19,840.00	160.00
Other Purchased Professional Services	28,000.00	8,250.00	36,250.00	36,250.00	-
Purchased Technical Services		7,961.85	7,961.85		7,961.85
Communications/Telephone	23,300.00		23,300.00	17,336.31	5,963.69
BOE Other Purchased Services	5,500.00		5,500.00	4,186.16	1,313.84
Misc. Purchased Services (400-500 series)	48,500.00		48,500.00	29,868.96	18,631.04
General Supplies	5,589.00		5,589.00	2,810.78	2,778.22
BOE in House Expenses	1,000.00		1,000.00	127.00	873.00
Miscellaneous Expenditures	9,000.00		9,000.00	6,093.90	2,906.10
BOE Membership Dues and Fees	8,000.00		8,000.00	7,289.35	710.65
Total Undist. Expend. - Supp. Serv. - General Administration	<u>407,602.00</u>	<u>16,211.85</u>	<u>423,813.85</u>	<u>369,042.32</u>	<u>54,771.53</u>
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals/Program Directors	228,094.00	(13,392.70)	214,701.30	212,442.51	2,258.79
Salaries of Secretarial and Clerical Assistants	124,652.00		127,400.00	127,370.97	29.03
Other Salaries	133,992.00	(37,748.00)	96,244.00	94,182.57	2,061.43
Purchased Professional and Technical Services	9,000.00	(1,540.00)	7,460.00	2,400.00	5,060.00
Other Purchased Services (400-500 series)	12,000.00	50,000.00	62,000.00	8,339.47	53,660.53
Supplies and Materials	12,000.00	(370.00)	11,630.00	9,447.99	2,182.01
Other Objects	5,725.00	250.00	5,975.00	5,407.85	567.15
Total Undist. Expend. - Support Serv. - School Administration	<u>525,463.00</u>	<u>(52.70)</u>	<u>525,410.30</u>	<u>459,591.36</u>	<u>65,818.94</u>
Undist. Expend. - Central Services					
Salaries	214,213.00	815.00	215,028.00	215,028.00	-
Purchased Professional Services	24,760.00	775.00	25,535.00	25,496.65	38.35
Purchased Technical Services	1,200.00	(1,165.00)	35.00		35.00
Misc. Pur Serv (400-500 series)	4,000.00	7,490.00	11,490.00	3,991.33	7,498.67
Supplies and Materials	4,000.00	85.00	4,085.00	4,084.89	0.11
Miscellaneous Expenditures	2,050.00		2,050.00	1,708.00	342.00
Undist. Expend. - Central Services	<u>250,223.00</u>	<u>8,000.00</u>	<u>258,223.00</u>	<u>250,308.87</u>	<u>7,914.13</u>
Undist. Expend. - Admin. Info. Technology					
Salaries		4,800.00	4,800.00		4,800.00
Purchased Technical Services	62,160.00		62,160.00	58,021.41	4,138.59
Other Purchased Services (400-500 series)	10,300.00		10,300.00	10,023.12	276.88
Supplies and Materials	59,540.00	6,000.00	65,540.00	63,254.16	2,285.84
Undist. Expend. - Admin. Info. Technology	<u>132,000.00</u>	<u>10,800.00</u>	<u>142,800.00</u>	<u>131,298.69</u>	<u>11,501.31</u>
Undist. Expend. - Required Maint. for School Facilities					
Cleaning, Repair and Maintenance Services	247,161.43	30.00	247,191.43	238,293.61	8,897.82
General Supplies	16,924.00		16,924.00	8,173.20	8,750.80
Other Objects		820.00	820.00	820.00	-
Undist. Expend. - Required Maint. for School Facilities	<u>264,085.43</u>	<u>850.00</u>	<u>264,935.43</u>	<u>247,286.81</u>	<u>17,648.62</u>
Undist. Expend. - Oth. Oper. & Maint. of Plant					
Salaries	478,240.00		478,240.00	465,147.66	13,092.34
Purchased Professional and Technical Services	15,200.00	9,228.00	24,428.00	24,428.00	-
Cleaning, Repair and Maintenance Services	52,515.00	8,694.00	61,209.00	53,285.84	7,923.16
Other Purchased Property Services	58,000.00	(990.00)	57,010.00	52,129.64	4,880.36
Insurance	58,100.00	5,050.00	63,150.00	63,150.00	-
Miscellaneous Purchased Services	16,700.00		16,700.00	14,099.59	2,600.41
General Supplies	56,472.50	24,650.76	81,123.26	63,332.21	17,791.05
Energy (Electricity)	250,000.00	(66,343.58)	183,656.42	171,987.84	11,668.58
Energy (Oil)	200,000.00	(46,378.64)	153,621.36	61,622.23	91,999.13
Other Objects	150.00		150.00	125.00	25.00
Total Undist. Expend. - Custodial Services	<u>1,185,377.50</u>	<u>(66,089.46)</u>	<u>1,119,288.04</u>	<u>969,308.01</u>	<u>149,980.03</u>
Total Undist. Expend. - Operation & Maint. Of Plant Services	<u>1,449,462.93</u>	<u>(65,239.46)</u>	<u>1,384,223.47</u>	<u>1,216,594.82</u>	<u>167,628.65</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Student Transportation Services					
Management Fee - ESC & CTSA Trans. Program			-		-
Sal. For Pupil Trans (Bet Home &Sch)-Sp Ed	41,818.00	3,500.00	45,318.00	39,158.98	6,159.02
Cleaning, Repair and Maintenance Services	15,200.00		15,200.00	10,302.05	4,897.95
Contracted Services - Aid in Lieu Payments-Non Public Schools	35,360.00	(4,471.29)	30,888.71	15,912.00	14,976.71
Contracted Services (Between Home and School)-Vendors	319,900.00		319,900.00	306,426.71	13,473.29
Contracted Services (Other than Bet Home and School)-Vendors	20,270.00	(13,000.00)	7,270.00	5,687.34	1,582.66
Contracted Services (Regular Students)-ESCs & CTSA	36,485.00	1,971.29	38,456.29	27,384.94	11,071.35
Contracted Services (Special Ed. Students)-ESCs & CTSA	202,680.00		202,680.00	179,682.19	22,997.81
Miscellaneous Purchased Services - Transportation	10,000.00		10,000.00	7,230.00	2,770.00
Transportation Supplies	12,000.00	(3,874.26)	8,125.74	155.16	7,970.58
Other Objects	500.00		500.00		500.00
Total Undist. Expend. - Student Transportation Services	<u>694,213.00</u>	<u>(15,874.26)</u>	<u>678,338.74</u>	<u>591,939.37</u>	<u>86,399.37</u>
UNALLOCATED BENEFITS					
Social Security Contributions	165,000.00		165,000.00	150,670.13	14,329.87
T.P.A.F. Contributions - ERIP	29,000.00		29,000.00	28,058.00	942.00
Other Retirement Contributions - PERS	160,850.00	(30,000.00)	130,850.00	126,636.00	4,214.00
Other Retirement Contributions - Regular		10,000.00	10,000.00	9,649.09	350.91
Unemployment Compensation		45,000.00	45,000.00	45,000.00	-
Workmen's Compensation	108,800.00	3,230.00	112,030.00	112,030.00	-
Health Benefits	1,999,821.00	(139,041.00)	1,860,780.00	1,818,971.94	41,808.06
Tuition Reimbursement	20,000.00		20,000.00	17,005.00	2,995.00
Other Employee Benefits	251,732.00	49,610.00	301,342.00	297,506.40	3,835.60
Unused Sick Payment to Terminated/Retired Staff	10,000.00		10,000.00	3,835.00	6,165.00
TOTAL UNALLOCATED BENEFITS	<u>2,745,203.00</u>	<u>(61,201.00)</u>	<u>2,684,002.00</u>	<u>2,609,361.56</u>	<u>74,640.44</u>
On-behalf TPAF NCGI Premium (non-budgeted)			-	24,436.00	(24,436.00)
On-behalf TPAF Pension Contributions (non-budgeted)			-	490,548.00	(490,548.00)
On-behalf TPAF Post Retirement Medical (non-budgeted)			-	613,203.00	(613,203.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)			-	500,189.55	(500,189.55)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,628,376.55</u>	<u>(1,628,376.55)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>2,745,203.00</u>	<u>(61,201.00)</u>	<u>2,684,002.00</u>	<u>4,237,738.11</u>	<u>(1,553,736.11)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>8,461,070.93</u>	<u>(75,072.36)</u>	<u>8,385,998.57</u>	<u>9,471,495.97</u>	<u>(1,085,497.40)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>14,647,185.93</u>	<u>(141,822.03)</u>	<u>14,505,363.90</u>	<u>15,534,196.20</u>	<u>(1,028,832.30)</u>
CAPITAL OUTLAY					
Equipment					
Special Education - Instruction:					
School-Sponsored and Other Instructional Program	7,850.00	(7,850.00)	-		-
Undistributed Expenditures:					
Undistributed Expenditures - Instruction	34,777.00	92,487.86	127,264.86	110,749.86	16,515.00
Undist. Expend. - Other Supp. Serv. Students-Special		4,289.21	4,289.21	4,196.20	93.01
Undist. Expend. - Other Supp. Serv. - Inst. Staff		13,276.00	13,276.00	13,276.00	-
Undistributed Expenditures - Required Maintenance	8,765.00	21,193.29	29,958.29	27,434.04	2,524.25
Undistributed Expenditures - Student Trans.-Non-Inst, Equip.	50,000.00	5,419.67	55,419.67	55,419.67	-
Total Equipment	<u>101,392.00</u>	<u>128,816.03</u>	<u>230,208.03</u>	<u>211,075.77</u>	<u>19,132.26</u>
Facilities Acquisition and Construction Services					
Other Purchased Professional & Technical Services	14,373.30	34,500.00	48,873.30	38,744.00	10,129.30
Construction	607,164.00	416,165.00	1,023,329.00	161,303.00	862,026.00
Assessment for Debt Service on SDA Funding	61,496.00		61,496.00	61,496.00	-
Total Facilities Acquisition and Construction Services	<u>683,033.30</u>	<u>450,665.00</u>	<u>1,133,698.30</u>	<u>261,543.00</u>	<u>872,155.30</u>
TOTAL CAPITAL OUTLAY	<u>784,425.30</u>	<u>579,481.03</u>	<u>1,363,906.33</u>	<u>472,618.77</u>	<u>891,287.56</u>
Transfer of Funds to Charter Schools	<u>106,280.00</u>	<u>31,242.00</u>	<u>137,522.00</u>	<u>136,291.00</u>	<u>1,231.00</u>
TOTAL EXPENDITURES	<u>15,537,891.23</u>	<u>468,901.00</u>	<u>16,006,792.23</u>	<u>16,143,105.97</u>	<u>(136,313.74)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(818,709.23)</u>	<u>(468,901.00)</u>	<u>(1,287,610.23)</u>	<u>440,274.07</u>	<u>1,727,884.30</u>
Other Financing Sources/(Uses):					
Operating Transfer Out:					
Total Other Financing Sources/(Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	(818,709.23)	(468,901.00)	(1,287,610.23)	440,274.07	1,727,884.30
Fund Balance, July 1	2,746,186.08		2,746,186.08	2,746,186.08	-
Fund Balance, June 30	<u>1,927,476.85</u>	<u>(468,901.00)</u>	<u>1,458,575.85</u>	<u>3,186,460.15</u>	<u>1,727,884.30</u>
Recapitulation of excess (deficiency) of revenues under expenditures					
Adjustment for Prior Year Encumbrances	(383,709.23)		(383,709.23)	(383,709.23)	-
Increase in Capital Reserve:					
Principal			-	757,000.00	757,000.00
Withdrawal from Capital Reserve	(435,000.00)	(440,915.00)	(875,915.00)	(440,915.00)	435,000.00
Budgeted Fund Balance		<u>(27,986.00)</u>	<u>(27,986.00)</u>	<u>507,898.30</u>	<u>535,884.30</u>
	<u>(818,709.23)</u>	<u>(468,901.00)</u>	<u>(1,287,610.23)</u>	<u>440,274.07</u>	<u>1,727,884.30</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				2,321,756.99	
Assigned Fund Balance:					
Year End Encumbrances				465,252.30	
Unassigned Fund Balance				<u>399,450.86</u>	
				3,186,460.15	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				<u>(372,318.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>2,814,142.15</u>	

**BYRAM TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	207,475.00	73,534.00	281,009.00	257,647.33	(23,361.67)
Total Revenues	207,475.00	73,534.00	281,009.00	257,647.33	(23,361.67)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	39,810.00	2,477.94	42,287.94	32,532.00	9,755.94
Other Purchased Services (400-500 series)	156,456.00	51,333.00	207,789.00	207,789.00	-
Total Instruction	196,266.00	53,810.94	250,076.94	240,321.00	9,755.94
Support Services:					
Purchased Professional & Technical Services	11,000.00		11,000.00	5,694.75	5,305.25
Other Purchased Services (400-500 series)	11,209.00	7,998.06	19,207.06	10,906.58	8,300.48
Supplies & Materials		725.00	725.00	725.00	-
Total Support Services	11,209.00	19,723.06	30,932.06	17,326.33	13,605.73
Total Expenditures	207,475.00	73,534.00	281,009.00	257,647.33	23,361.67
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

BYRAM TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
For the Fiscal Year Ended June 30, 2016

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	16,583,380.04	257,647.33
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Current Year			
Prior Year			6,600.00
The last State aid payment is recognized as revenue for budgetary purposes in the General Fund, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).			
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(372,318.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		367,421.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	16,578,483.04	264,247.33
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	16,143,105.97	257,647.33
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Current Year		N/A	
Prior Year			6,600.00
Pension expense recognized for GAAP but not for budgetary purposes.			
		N/A	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	16,143,105.97	264,247.33

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

Exhibit L-1

BYRAM TOWNSHIP SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - PERS
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	District's	District's	District's	District's	District's	Plan Fiduciary
	Proportion Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	District's Covered Payroll -PERS Employee's	Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Net Position as a percentage of the total Pension Liability
2015	0.0159627975%	\$ 2,988,672	\$ 1,016,498	294.02%	52.08%	
2016	0.0147297098%	3,306,525	960,770	344.15%	47.93%	

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Exhibit L-2

BYRAM TOWNSHIP SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relation to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered-Employee Payroll	Contributions as a Percentage of PERS Covered-Employee Payroll
2015	\$	131,595	\$	131,595	\$ -	\$1,016,498	12.95%
2016		126,636		126,636	-	960,770	13.18%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BYRAM TOWNSHIP SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - TPAF
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	District's	District's	State's	District's	Plan Fiduciary
	Proportion Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)	Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Net Position as a percentage of the total Pension Liability
2015	0.0624075042%	\$ -	\$ 33,554,780	\$ 6,295,209	33.64%
2016	0.0646772711%	\$ -	40,878,797	6,671,468	28.71%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BYRAM TOWNSHIP SCHOOL DISTRICT
Note to Required Schedules of Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2016

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.29%) to the current measurement date (3.80%), resulting in a change in the discount rate from 5.39% to 4.90%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.29%) to the current measurement date (3.80%), resulting in a change in the discount rate from 4.68% to 4.13%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

SPECIAL REVENUE FUND

BYRAM TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	Total	Title I Part - A Improving Basic Programs	Title II Part - A Teacher/Principal Training & Recruiting	Totals 2016
REVENUES				
Federal Sources	207,789.00	44,629.81	5,228.52	257,647.33
Total Revenues	207,789.00	44,629.81	5,228.52	257,647.33
EXPENDITURES:				
Instruction:				
Salaries of Teachers	-	32,532.00		32,532.00
Other Purchased Services (400-500 series)	207,789.00			207,789.00
Total Instruction	207,789.00	32,532.00	-	240,321.00
Support Services:				
Purchased Professional & Technical Services	-	5,694.75		5,694.75
Other Purchased Services (400-500 series)	-	5,678.06	5,228.52	10,906.58
Supplies & Materials	-	725.00		725.00
Total Support Services	-	12,097.81	5,228.52	17,326.33
Total Expenditures	207,789.00	44,629.81	5,228.52	257,647.33
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-

BYRAM TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	I.D.E.A. Part B		Total Carried Forward
	2015-2016 Basic	2015-2016 Preschool	
REVENUES			
Federal Sources	192,151.00	15,638.00	207,789.00
Total Revenues	192,151.00	15,638.00	207,789.00
EXPENDITURES:			
Instruction:			
Salaries of Teachers			-
Other Purchased Services (400-500 series)	192,151.00	15,638.00	207,789.00
Total Instruction	192,151.00	15,638.00	207,789.00
Support services:			
Purchased Professional & Technical Services			-
Other Purchased Services (400-500 series)			-
Supplies & Materials			-
Total Support Services	-	-	-
Total Expenditures	192,151.00	15,638.00	207,789.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-

CAPITAL PROJECTS FUND

**BYRAM TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year Ended June 30, 2016**

Revenues and Other Financing Sources	
State Sources - EDA Grant	
Transfer from Capital Reserve	
Total Revenues	-
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	
Construction Services	
Total Expenditures	-
Excess (deficiency) or Revenues over (under) Expenditures	-
Fund Balance - Beginning	112,569.00
Fund Balance - Ending	112,569.00
<u>Recapitulation:</u>	
Unrestricted Fund Balance	112,569.00
Reconciliation to Governmental Funds Statements (GAAP):	
EFCFA Grant Receivable not Recognized on GAAP Basis	(45,027.60)
Fund Balance per Governmental Funds (GAAP)	67,541.40

BYRAM TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Roof Replacement - Byram Intermediate School
From Inception and For the Fiscal Year Ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - EFCFA Grant	395,912.00		395,912.00	395,912.00
Transfer from Capital Reserve	593,868.00		593,868.00	593,868.00
Total Revenues	<u>989,780.00</u>		<u>989,780.00</u>	<u>989,780.00</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	877,211.00		877,211.00	989,780.00
Total Expenditures	<u>877,211.00</u>		<u>877,211.00</u>	<u>989,780.00</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>112,569.00</u>		<u>112,569.00</u>	
Additional Project Information:				
Project Number	0-030-13-2001-G04 Roof			
Grant Date	1/16/2014			
Original Authorized Cost	989,780.00			
Percentage Completion	89%			

**BYRAM TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Project Expenditures
For the Fiscal Year Ended June 30, 2016**

Project Title/Issue	Original Date or Project Number	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2016
			Prior Years	Current Year	
Roof Replacement Byram Township Intermediate School	1/04/2014 SP# 0640-030-13-2001	989,780.00	877,211.00	-	112,569.00
		<u>989,780.00</u>	<u>877,211.00</u>	<u>-</u>	<u>112,569.00</u>

PROPRIETARY FUNDS

BYRAM TOWNSHIP SCHOOL DISTRICT
Combining Statement of Net Position
Enterprise Funds
June 30, 2016

	<u>Food Service Program</u>	<u>Totals</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	40,311.06	40,311.06
Accounts Receivable:		
State	103.85	103.85
Federal	1,816.15	1,816.15
Inventories	<u>6,941.58</u>	<u>6,941.58</u>
Total Current Assets	<u>49,172.64</u>	<u>49,172.64</u>
Noncurrent Assets:		
Capital Assets:		
Equipment	284,633.00	284,633.00
Less Accumulated Depreciation	<u>(248,539.92)</u>	<u>(248,539.92)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>36,093.08</u>	<u>36,093.08</u>
Total Assets	<u>85,265.72</u>	<u>85,265.72</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	12,677.79	12,677.79
Advanced Revenue	<u>3,201.52</u>	<u>3,201.52</u>
Total Current Liabilities	<u>15,879.31</u>	<u>15,879.31</u>
NET POSITION		
Invested in Capital Assets Net of Related Debt	36,093.08	36,093.08
Unrestricted	<u>33,293.33</u>	<u>33,293.33</u>
Total Net Position	<u>69,386.41</u>	<u>69,386.41</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Fiscal Year Ended June 30, 2016

	<u>Food Service Program</u>	<u>Totals</u>
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	98,000.72	98,000.72
Daily Sales - Non-Reimbursable Programs	62,299.85	62,299.85
Special Functions/Other	3,972.58	3,972.58
Total Operating Revenues	<u>164,273.15</u>	<u>164,273.15</u>
Operating Expenses:		
Cost of Sales	79,273.77	79,273.77
Salaries and Benefits	81,914.10	81,914.10
Supplies and Materials	14,324.73	14,324.73
Management Fee	10,100.00	10,100.00
Cleaning Repair & Maintenance	6,308.21	6,308.21
Miscellaneous Expense	17,567.96	17,567.96
Purchased Services	2,755.43	2,755.43
Depreciation	10,717.40	10,717.40
Total Operating Expenses	<u>222,961.60</u>	<u>222,961.60</u>
Operating Income (Loss)	<u>(58,688.45)</u>	<u>(58,688.45)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	1,810.03	1,810.03
Federal Sources:		
National School Lunch Program	30,499.51	30,499.51
Food Distribution Program	15,899.08	15,899.08
Interest and Investment Revenue	4.55	4.55
Total Nonoperating Revenues (Expenses)	<u>48,213.17</u>	<u>48,213.17</u>
Income (Loss) Before Contributions & Transfers	<u>(10,475.28)</u>	<u>(10,475.28)</u>
Transfers In (Out)		-
Change in Net Position	<u>(10,475.28)</u>	<u>(10,475.28)</u>
Total Net Position—Beginning	<u>79,861.69</u>	<u>79,861.69</u>
Total Net Position—Ending	<u><u>69,386.41</u></u>	<u><u>69,386.41</u></u>

BYRAM TOWNSHIP SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2016

	<u>Food Service Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	164,273.15	164,273.15
Payments to Employees	(81,914.10)	(81,914.10)
Payments to Suppliers	(117,511.93)	(117,511.93)
Net Cash Provided by (Used for) Operating Activities	<u>(35,152.88)</u>	<u>(35,152.88)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	1,889.44	1,889.44
Federal Sources	31,689.90	31,689.90
Management Company Subsidy	-	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>33,579.34</u>	<u>33,579.34</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends	4.55	4.55
Net Cash Provided by (Used for) Investing Activities	<u>4.55</u>	<u>4.55</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,568.99)	(1,568.99)
Balances—Beginning of Year	41,880.05	41,880.05
Balances—End of Year	<u>40,311.06</u>	<u>40,311.06</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided		
(Used) by Operating Activities:		
Operating Income (Loss)	(58,688.45)	(58,688.45)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided		
(Used for) Operating Activities		
Depreciation and Net Amortization	10,717.40	10,717.40
Food Distribution Program Donated Commodities	15,899.08	15,899.08
(Increase) Decrease in Inventories	608.62	608.62
Increase (Decrease) in Accounts Payable	(4,429.64)	(4,429.64)
Increase (Decrease) in Advanced Revenue	740.11	740.11
Total Adjustments	<u>23,535.57</u>	<u>23,535.57</u>
Net Cash Provided by (Used for) Operating Activities	<u>(35,152.88)</u>	<u>(35,152.88)</u>

FIDUCIARY FUND

BYRAM TOWNSHIP SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	72,045.77	208,655.56
Total Assets	<u>72,045.77</u>	<u>208,655.56</u>
LIABILITIES		
Payable to Student Groups		58,092.17
Payroll Deductions and Withholdings		150,563.39
Total Liabilities	<u>-</u>	<u>208,655.56</u>
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	<u>72,045.77</u>	

BYRAM TOWNSHIP SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

	Unemployment Compensation Trust Fund
	<u> </u>
ADDITIONS	
Contributions:	
Plan Member	15,431.90
Board - Budget	45,000.00
Total Contributions	<u>60,431.90</u>
Investment Earnings:	
Interest	4.14
Net Investment Earnings	<u>4.14</u>
Total Additions	<u>60,436.04</u>
DEDUCTIONS	
Unemployment Claims	43,416.68
Total Deductions	<u>43,416.68</u>
Change in Net Assets	17,019.36
Net Position—Beginning of the Year	55,026.41
Net Positon—End of the Year	<u><u>72,045.77</u></u>

**BYRAM TOWNSHIP SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Accounts Payable June 30, 2016</u>	<u>Balance June 30, 2016</u>
ELEMENTARY SCHOOLS:					
Lakes School	15,551.28	28,853.89	36,466.18		7,938.99
Intermediate School	56,162.45	89,082.78	95,092.05		50,153.18
	<u>71,713.73</u>	<u>117,936.67</u>	<u>131,558.23</u>	<u>-</u>	<u>58,092.17</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2016

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2016</u>
Net Payroll	5,586.82	5,465,641.87	5,465,806.76	5,421.93
Payroll Deductions and Withholdings	144,533.99	9,892,758.46	9,892,150.99	145,141.46
	<u>150,120.81</u>	<u>15,358,400.33</u>	<u>15,357,957.75</u>	<u>150,563.39</u>

LONG-TERM DEBT

**BYRAM TOWNSHIP SCHOOL DISTRICT
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2016**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2015	Issued	Retired	Balance June 30, 2016
Refunding School Bonds	9/15/2006	\$7,185,000.00				4,075,000.00		4,075,000.00	-
Refunding School Bonds	12/16/2015	\$3,560,000.00	3/15/2017	680,000.00	1.690%		3,560,000.00	20,000.00	3,540,000.00
			3/15/2018	695,000.00	1.690%				
			3/15/2019	705,000.00	1.690%				
			3/15/2020	720,000.00	1.690%				
			3/15/2021	740,000.00	1.690%				
						<u>4,075,000.00</u>	<u>3,560,000.00</u>	<u>4,095,000.00</u>	<u>3,540,000.00</u>

**BYRAM TOWNSHIP SCHOOL DISTRICT
General Long Term Debt Account Group
Statement of Obligations under Capital Leases
June 30, 2016**

SERIES	Interest Rate Payable	Amount of Original Issues	Amount Outstanding on July 1, 2015	Issued in Current Year	Retired in Current Year	Amount Outstanding on June 30, 2016
2011 Copier / New / Refunding		73,967.76	19,056.00		16,260.67	2,795.33
TOTAL			<u>19,056.00</u>	<u>-</u>	<u>16,260.67</u>	<u>2,795.33</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	776,050.00		776,050.00	776,050.00	-
Total Revenues	<u>776,050.00</u>	<u>-</u>	<u>776,050.00</u>	<u>776,050.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	166,050.00	(20,000.00)	146,050.00	111,791.00	34,259.00
Redemption of Principal	610,000.00	20,000.00	630,000.00	630,000.00	-
Total Regular Debt Service	<u>776,050.00</u>	<u>-</u>	<u>776,050.00</u>	<u>741,791.00</u>	<u>34,259.00</u>
Total expenditures	<u>776,050.00</u>	<u>-</u>	<u>776,050.00</u>	<u>741,791.00</u>	<u>34,259.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	34,259.00	34,259.00
Fund Balance, July 1	0.32		0.32	0.32	-
Fund Balance, June 30	<u>0.32</u>	<u>-</u>	<u>0.32</u>	<u>34,259.32</u>	<u>34,259.00</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>-</u>		<u>-</u>	<u>34,259.00</u>	<u>34,259.00</u>

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

BYRAM TOWNSHIP SCHOOL DISTRICT
Net Assets/Position by Component**
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Invested in Capital Assets, Net of Related Debt Restricted	9,075,267.00	8,778,728.07	8,828,382.77	8,775,097.27	8,828,878.01	8,886,904.33	9,015,795.33	9,504,913.91	11,087,275.00	11,239,558.67
Unrestricted	679,198.00	498,093.00	151,631.42	203,987.19	962,857.49	1,614,062.30	2,175,372.56	2,153,061.85	2,073,213.71	2,423,557.71
	(451,581.00)	(612,871.00)	(1,398,337.13)	(617,726.82)	(481,838.48)	(396,735.36)	(330,498.27)	(393,319.32)	(3,109,668.66)	(2,924,109.62)
Total Governmental Activities Net Assets/Position	9,302,884.00	8,663,950.07	7,581,677.06	8,361,357.64	9,309,897.02	10,104,231.27	10,860,669.62	11,264,656.44	10,050,820.05	10,739,006.76
Business-type Activities										
Invested in Capital Assets, Net of Related Debt Unrestricted	129,983.00	109,558.00	98,599.00	87,634.00	83,437.00	72,035.00	75,503.00	64,061.00	46,810.48	36,093.08
	13,392.00	29,352.00	35,337.70	44,929.05	50,598.03	54,884.78	17,922.61	22,934.88	33,051.21	33,293.33
Total Business-type Activities Net Asset/Position	143,375.00	138,910.00	133,936.70	132,563.05	134,035.03	126,919.78	93,425.61	86,995.88	79,861.69	69,386.41
District-wide										
Invested in Capital Assets, Net of Related Debt Restricted	9,205,250.00	8,888,286.07	8,926,981.77	8,862,731.27	8,912,315.01	8,958,939.33	9,091,298.33	9,568,974.91	11,134,085.48	11,275,651.75
Unrestricted	679,198.00	498,093.00	151,631.42	203,987.19	962,857.49	1,614,062.30	2,175,372.56	2,153,061.85	2,073,213.71	2,423,557.71
	(438,189.00)	(583,519.00)	(1,362,999.43)	(572,797.77)	(431,240.45)	(341,850.58)	(312,575.66)	(370,384.44)	(3,076,617.45)	(2,890,816.29)
Total District Net Assets/Net Position	9,446,259.00	8,802,860.07	7,715,613.76	8,493,920.69	9,443,932.05	10,231,151.05	10,954,095.23	11,351,652.32	10,130,681.74	10,808,393.17

Source: CAFR Schedule A-1

** GASB Statement No. 63 became effective for the Fiscal Year Ended June 30, 2013 which changed Net Assets to Net Position.

BYRAM TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets/Net Position**
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
Instruction:										
Regular	6,039,544.00	6,361,745.00	5,907,432.50	5,735,545.19	5,289,619.58	5,484,838.71	5,727,130.88	6,183,245.44	6,239,377.40	5,785,991.01
Special Education	1,268,666.00	1,602,458.00	1,444,608.18	1,561,569.76	1,450,588.44	1,621,760.32	1,704,502.05	1,505,618.69	1,711,439.90	1,976,884.16
Other Special Instruction	401,716.00	332,375.00	473,996.12	403,714.15	478,940.58	317,182.02	318,211.50	236,321.07	192,632.70	280,705.88
School Sponsored Instruction	68,472.00	62,466.00	59,476.82	72,804.93	81,545.35	78,876.16	77,114.77	83,914.98	79,035.20	83,512.72
Support Services:										
Tuition	256,556.00	309,134.00	232,576.10	125,565.95	180,124.36	289,676.33	290,144.10	334,506.59	222,984.97	371,016.41
Student & Instruction Related Services	1,742,606.00	1,848,713.00	1,715,329.65	1,695,035.70	1,831,276.23	1,852,908.06	1,884,278.23	1,945,905.68	1,986,770.30	2,265,455.69
General Administrative Services	408,262.00	442,038.00	488,864.84	512,842.10	478,649.86	466,886.76	358,128.07	394,718.68	461,674.39	478,373.15
School Administrative Services	545,843.00	617,984.00	589,568.46	554,273.50	595,251.27	586,539.77	553,462.94	569,067.14	635,188.55	604,541.19
Central Services & Admin. Info. Technology	456,096.00	531,782.00	437,013.11	424,457.73	360,912.30	436,473.70	388,272.09	507,898.21	497,125.79	449,424.92
Plant Operations and Maintenance	1,893,712.00	2,023,167.00	1,481,572.83	1,295,228.39	1,245,775.02	1,285,268.47	1,274,688.40	1,388,233.26	1,270,621.02	1,347,036.37
Pupil Transportation	733,089.00	709,081.00	796,461.34	720,613.76	846,171.08	646,188.78	678,157.80	770,239.06	539,640.86	607,538.81
Unallocated Benefits			971,756.94	939,259.65	846,280.06	1,071,639.51	1,355,978.87	1,170,352.58	2,797,427.84	3,565,948.58
Charter Schools	13,260.00	13,337.00	23,013.00	31,489.00	37,999.00	50,128.00	76,903.00	94,450.00	81,238.00	136,291.00
Capital Outlay				33,414.32	45,150.47	113,027.56	39,882.00	1,255.04	37,734.15	19,525.77
Interest on Long-term Debt	391,338.00	346,655.00	325,822.58	305,202.16	286,067.14	264,477.78	240,565.30	211,729.36	221,437.50	43,909.00
Unallocated Depreciation			599,609.00	575,930.00	554,978.00	586,981.54	575,331.54	577,518.92	723,359.00	800,474.00
Total Governmental Activities Expenses	14,219,160.00	15,200,935.00	15,547,101.47	14,986,946.29	14,441,328.74	15,152,863.47	15,542,751.54	15,974,974.70	17,697,687.57	18,816,628.66
Business-type Activities:										
Food Service	349,193.00	312,913.00	316,166.80	282,782.25	279,814.81	269,512.64	266,162.89	246,141.00	234,569.27	222,961.60
Total Business-type Activities Expenses	349,193.00	312,913.00	316,166.80	282,782.25	279,814.81	269,512.64	266,162.89	246,141.00	234,569.27	222,961.60
Total District Expenses	14,568,353.00	15,513,848.00	15,863,268.27	15,269,728.54	14,721,143.55	15,422,376.11	15,808,914.43	16,221,115.70	17,932,256.84	19,039,590.26
Program Revenues										
Governmental Activities:										
Charges for Services:										
Regular	30,230.00	9,759.00								
Special Education						13,105.00	13,763.00	13,743.50	12,125.00	13,000.00
Other Instruction	2,296,283.00	2,462,427.00	278,194.00	385,457.16	362,346.88	272,834.91	279,552.60	258,293.03	248,798.50	264,247.33
Operating Grants and Contributions	2,326,513.00	2,472,186.00	278,194.00	385,457.16	362,346.88	285,939.91	293,315.60	272,036.53	260,923.50	277,247.33
Total Governmental Activities Program Revenues										

BYRAM TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets/Net Position**
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type Activities:										
Charges for Services:										
Food Service	250,288.00	261,237.00	243,032.78	216,325.37	195,835.64	172,735.12	156,256.19	168,229.93	174,599.59	164,273.15
Operating Grants and Contributions	49,840.00	55,859.00	68,090.58	64,995.82	85,408.80	89,642.88	74,408.18	71,478.54	52,832.15	48,208.62
Total Business-type Activities Program Revenues	300,128.00	317,096.00	311,123.36	281,321.19	281,244.44	262,378.00	232,664.37	239,708.47	227,431.74	212,481.77
Total District Program Revenues	2,626,641.00	2,789,282.00	589,317.36	666,778.35	643,591.32	548,317.91	525,979.97	511,745.00	488,355.24	489,729.10
Net (Expense)/Revenue										
Governmental Activities	(11,892,647.00)	(12,728,749.00)	(15,268,907.47)	(14,601,489.13)	(14,078,981.86)	(14,866,923.56)	(15,249,435.94)	(15,702,938.17)	(17,436,764.07)	(18,539,381.33)
Business-type Activities	(49,065.00)	4,183.00	(5,043.44)	(1,461.06)	1,429.63	(7,134.64)	(33,498.52)	(6,432.53)	(7,137.53)	(10,479.89)
Total District-wide Net Expense	(11,941,712.00)	(12,724,566.00)	(15,273,950.91)	(14,602,950.19)	(14,077,552.23)	(14,874,058.20)	(15,282,934.46)	(15,709,370.70)	(17,443,901.60)	(18,549,861.16)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied for General Purposes	8,291,386.00	8,713,931.00	8,923,728.00	9,726,141.00	9,940,000.00	10,138,800.00	10,341,576.00	10,548,406.00	10,689,890.00	10,903,688.00
Taxes Levied for Debt Service	832,566.00	793,018.00	746,928.00	776,262.00	810,713.00	806,101.00	810,851.00	814,394.00	772,150.00	776,050.00
Unrestricted Federal and State Aid	2,548,671.00	2,622,184.00	4,447,661.40	4,743,785.63	4,169,555.26	4,576,482.91	4,791,287.46	4,695,255.70	6,613,083.82	7,508,588.55
Tuition	61,248.00	43,914.00	11,228.85	4,350.00	2,857.16	2,135.86	2,300.47	1,752.65	1,401.05	46,080.40
Investment Earnings									350,884.40	2,016.46
Capital Outlay Facilities Grant										
Extraordinary Items	36,089.00	50,543.00	57,089.23	130,631.08	104,395.82	137,738.04	59,859.36	47,116.64	160,322.41	(95,000.00)
Miscellaneous Income	11,769,960.00	12,223,590.00	14,186,635.48	15,381,169.71	15,027,521.24	15,661,257.81	16,005,874.29	16,106,924.99	18,602,472.68	19,227,568.04
Total Governmental Activities	11,770,072.00	12,223,675.00	14,186,705.16	15,381,257.12	15,027,563.59	15,661,277.20	16,005,878.64	16,106,927.79	18,602,476.02	19,227,572.59
Business-type Activities:										
Investment Earnings	112.00	85.00	69.68	87.41	42.35	19.39	4.35	2.80	3.34	4.55
Total Business-type Activities	112.00	85.00	69.68	87.41	42.35	19.39	4.35	2.80	3.34	4.55
Total District-wide	11,770,072.00	12,223,675.00	14,186,705.16	15,381,257.12	15,027,563.59	15,661,277.20	16,005,878.64	16,106,927.79	18,602,476.02	19,227,572.59
Change in Net Position										
Governmental Activities	(122,687.00)	(505,159.00)	(1,082,271.99)	779,680.58	948,539.38	794,334.25	756,438.35	403,986.82	1,165,708.61	688,186.71
Business-type Activities	(48,953.00)	4,268.00	(4,973.76)	(1,373.65)	1,471.98	(7,115.25)	(33,494.17)	(6,429.73)	(7,134.19)	(10,475.28)
Total District	(171,640.00)	(500,891.00)	(1,087,245.75)	778,306.93	950,011.36	787,219.00	722,944.18	397,557.09	1,158,574.42	677,711.43

Source: CAFR Schedule A-2

** GASB Statement No. 63 became effective for the Fiscal Year Ended June 30, 2013 which changed Net Assets to Net Position.

BYRAM TOWNSHIP SCHOOL DISTRICT
Fund Balances Governmental Funds
 Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	584,673.00	354,563.00	122,473.73	203,921.12						
Unreserved	143,489.00	41,009.00	(641,272.88)	88,831.90						
Restricted					211,351.23	1,145,910.23	1,630,910.24	1,303,042.24	2,005,671.99	2,321,756.99
Assigned					801,934.72	603,401.11	694,461.10	315,817.29	383,709.23	465,252.30
Unassigned					70,381.74	21,689.87	37,163.05	39,216.91	(10,616.14)	27,132.86
Total General Fund	728,162.00	395,572.00	(518,799.15)	292,753.02	1,083,667.69	1,771,001.21	2,362,534.39	1,658,076.44	2,378,765.08	2,814,142.15
All Other Governmental Funds										
Reserved										
Unreserved, Reported in:										
Capital Projects Fund	65,358.00			66.07	0.54	0.96	1.22	593,868.00	67,541.40	67,541.40
Debt Service	29,167.00	88,146.00	29,157.69					0.32	0.32	34,259.32
Total All other Governmental Funds	94,525.00	88,146.00	29,157.69	66.07	0.54	0.96	1.22	593,868.32	67,541.72	101,800.72

Source: CAFR Schedule B-1

BYRAM TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax Levy	9,123,952.00	9,506,949.00	9,670,656.00	10,502,403.00	10,750,713.00	10,944,901.00	11,152,427.00	11,362,800.00	11,462,040.00	11,679,738.00
Tuition	30,230.00	9,759.00	29,712.52	22,457.82	23,302.10	84,111.00			14,741.00	46,080.40
Interest on Capital Reserve	2,049.00	1,528.00	786.51				0.01			
Miscellaneous	95,288.00	92,929.00	37,819.05	112,523.26	83,950.88	78,867.90	80,922.82	63,063.42	184,048.46	101,161.09
State Sources	4,643,999.00	4,825,863.00	4,461,133.40	4,276,626.63	4,180,769.26	4,483,480.91	4,779,469.60	4,706,132.70	5,518,837.22	5,527,553.55
Federal Sources	200,955.00	258,748.00	264,722.00	852,616.16	351,132.88	355,836.91	286,370.60	246,965.40	238,598.50	264,247.33
Total Revenues	14,096,473.00	14,695,776.00	14,464,829.48	15,766,626.87	15,389,868.12	15,947,197.72	16,299,189.89	16,378,961.52	17,418,265.18	17,618,780.37
Expenditures										
Instruction:										
Regular	4,332,598.00	4,573,198.00	4,899,449.39	4,604,241.39	4,244,814.06	4,392,070.29	4,641,956.05	4,948,302.76	5,068,701.86	4,519,551.84
Special	912,434.00	1,139,869.00	1,162,691.43	1,229,128.88	1,136,995.41	1,273,022.16	1,350,151.23	1,175,822.70	1,332,628.79	1,505,522.53
Other	296,909.00	231,441.00	381,613.48	317,762.89	375,387.93	248,730.62	251,873.67	184,408.60	149,859.00	213,423.74
School-Sponsored/Other Instructional Support Services:	50,476.00	45,640.00	49,086.25	58,534.72	64,765.57	62,379.95	61,704.43	65,997.00	62,179.64	64,523.12
Instruction - Tuition	256,556.00	309,134.00	232,576.10	125,565.95	180,124.36	289,676.33	290,144.10	334,506.59	222,984.97	371,016.41
Student & Instruction Related Services	1,313,389.00	1,379,608.00	1,424,275.54	1,384,286.57	1,479,156.60	1,490,233.30	1,539,812.09	1,563,752.56	1,617,242.86	1,867,892.35
General Administration	335,396.00	362,220.00	405,907.72	421,500.54	390,037.44	382,264.58	297,150.00	323,133.87	380,074.56	369,042.32
School Administration	392,221.00	444,869.00	476,883.30	440,427.73	470,806.29	463,331.37	441,477.05	444,060.59	494,146.23	459,591.36
Central Services	169,563.00	214,567.00	200,442.74	206,250.13	213,123.42	222,802.68	217,885.17	238,109.32	241,646.50	250,308.87
Admin. Info. Technology	733,089.00	187,247.00	190,093.48	167,649.97	97,139.39	162,622.66	122,250.73	211,239.75	196,799.36	131,298.69
Operations and Maintenance	1,168,811.00	1,268,134.00	1,371,075.50	1,182,700.15	1,142,391.64	1,211,763.66	1,167,160.08	1,267,318.72	1,149,950.71	1,216,594.82
Student Transportation	199,029.00	709,081.00	793,476.87	716,488.84	673,707.61	643,094.94	673,801.86	767,251.64	528,248.03	591,939.37
Employee Benefits	3,056,675.00	3,337,514.00	3,008,151.09	3,248,759.62	3,158,994.26	3,383,926.96	3,588,564.63	3,589,091.65	3,738,218.48	4,237,738.11
Capital Outlay	50,325.00	5,789.00	21,840.25	60,353.32	111,583.47	240,585.26	164,983.62	456,834.72	1,187,834.15	472,618.77
Transfer to Charter School Debt Service:	13,260.00	13,337.00	23,013.00	31,489.00	37,999.00	50,128.00	76,903.00	94,450.00	81,238.00	136,291.00
Principal	428,772.00	460,071.00	486,446.04	507,842.91	529,347.23	545,929.29	572,632.32	604,420.57	580,000.00	630,000.00
Interest and Other Charges	388,713.00	353,026.00	333,007.42	310,839.71	292,645.30	271,269.29	249,206.42	220,851.33	192,150.00	111,791.00
Total Governmental Fund Expenditures	14,098,216.00	15,034,745.00	15,460,029.60	15,013,822.32	14,599,018.98	15,333,831.34	15,707,656.45	16,489,552.37	17,223,903.14	17,149,144.30
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,743.00)	(338,969.00)	(995,200.12)	752,804.55	790,849.14	613,366.38	591,533.44	(110,590.85)	194,362.04	469,636.07
Other Financing Sources (Uses)										
Operating Transfers In	98.00	65,456.00	65.17			73,967.56				
Operating Transfers Out	(98.00)	(65,456.00)	(65.17)			(73,967.56)				
Proceeds from Refunding Bonds	7,185,000.00									
Payment to Escrow Agent	(7,185,000.00)									
Capital Leases (non-budgeted)										
Total Other Financing Sources (Uses)			21,840.25	29,656.00		73,967.56				
Net Changes in Fund Balance	(1,743.00)	(338,969.00)	(973,359.87)	782,460.55	790,849.14	687,333.94	591,533.44	(110,590.85)	194,362.04	469,636.07
Debt Service as a percentage of noncapital expenditures	5.82%	5.41%	5.31%	5.47%	5.67%	5.41%	5.29%	5.15%	4.82%	4.45%

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay. Central Service and Administrative Information Technology account classifications were added beginning with year end June 30,2005. Prior to June 30,2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

BYRAM TOWNSHIP SCHOOL DISTRICT

**General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited**

<u>Fiscal Year Ended June 30,</u>	<u>Rental Use of Facilities</u>	<u>Interest Income</u>	<u>Tuition</u>	<u>Activity Fees</u>	<u>Miscellaneous</u>	<u>Total</u>
2007		61,150.00	30,230.00		36,089.00	127,469.00
2008		43,816.00	9,759.00		50,543.00	104,118.00
2009	12,588.50	11,228.85	29,712.52		14,723.04	68,252.91
2010	13,556.00	4,350.00	22,457.82		94,617.26	134,981.08
2011	30,819.42	2,857.16	23,302.10	11,431.00	15,541.20	83,950.88
2012	32,982.00	2,135.86	84,111.00	13,105.00	20,645.04	152,978.90
2013	28,945.00	2,300.47		13,763.00	30,914.36	75,922.83
2014	7,860.00	1,752.65		13,743.50	39,256.64	62,612.79
2015	8,532.50	1,401.05	14,741.00	12,125.00	151,789.91	188,589.46
2016	13,825.00	2,016.46	46,080.40	13,000.00	72,319.63	147,241.49

Source: District records.

BYRAM TOWNSHIP SCHOOL DISTRICT

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years*
Unaudited

Year Ended December 31,	Vacant Land	Residential	Farm and Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Assessed Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate b
2006	10,995,800	461,816,300	6,960,230	42,757,200	1,877,900	643,600	525,051,030	748,257	525,799,287	1,040,524,010	1.686
2007	10,889,000	464,460,700	7,614,330	43,859,100	1,594,000	643,600	529,060,730	687,019	529,747,749	1,155,200,736	1.759
2008	12,114,800	464,612,100	7,746,430	43,587,500	1,139,000	643,600	529,843,430	681,320	530,524,750	1,208,520,486	1.811
2009(1)	22,317,900	973,495,200	19,960,400	92,633,900	2,395,200	1,288,700	1,112,091,300	1,602,366	1,113,693,666	1,187,662,199	0.905
2010	21,245,900	971,973,300	17,849,900	91,769,700	2,395,200	1,288,700	1,106,522,700	1,619,451	1,108,142,151	1,158,651,730	0.959
2011	20,595,500	969,486,200	17,459,400	91,981,000	2,134,900	1,288,700	1,102,945,700	1,360,870	1,104,306,570	1,133,421,802	0.983
2012(2)	18,175,900	814,978,400	14,982,000	79,756,200	1,881,100	1,115,600	930,889,200	1,367,521	932,256,721	1,022,304,686	1.186
2013	17,057,400	814,021,000	15,580,200	80,556,400	1,881,100	1,115,600	930,211,700	169,287	930,380,987	1,014,784,450	1.210
2014	15,872,700	815,375,600	16,085,400	79,509,100	1,881,100	1,115,600	929,839,500	170,951	930,010,451	983,104,528	1.228
2015	16,159,100	812,932,400	16,575,000	77,996,100	1,881,100	1,115,600	926,659,300		926,659,300	961,176,097	1.249

(1) Revaluation Year (2) Revaluation Year

Source: Sussex County, Abstract of Ratables and Municipal Tax Assessor

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

Reassessment occurs when County Board of Taxation requests Treasury to order a reassessment.

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

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

BYRAM TOWNSHIP SCHOOL DISTRICT

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
Per \$100 of Assessed Valuation**

Assessment Year	Basic Rate^a	General Obligation Debt Service^b	<u>Overlapping Rates</u>				Total Direct and overlapping Tax Rate
			Local School District	Regional School District	Municipality	County	
2006	1.530	0.160	1.686	0.900	1.100	0.870	4.556
2007	1.610	0.150	1.759	0.930	1.160	0.890	4.739
2008	1.662	0.149	1.811	0.950	1.263	0.875	4.899
2009(1)	0.838	0.067	0.905	0.466	0.640	0.407	2.418
2010	0.887	0.072	0.959	0.486	0.678	0.424	2.547
2011	0.910	0.073	0.983	0.511	0.696	0.446	2.636
2012(2)	1.099	0.087	1.186	0.631	0.850	0.510	3.177
2013	1.123	0.087	1.210	0.648	0.873	0.541	3.272
2014	1.143	0.085	1.228	0.664	0.875	0.554	3.321
2015	1.165	0.084	1.249	0.663	0.890	0.537	3.339

(1) Revaluation Year (2) Revaluation Year

Source: District Records and Municipal Tax Collector.

BYRAM TOWNSHIP SCHOOL DISTRICT

Schedule of Principal Taxpayers

Current and Nine Years Ago

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation
Gordon Byram Associates, LLC	18,586,900	1	2.01%	11,957,000	1	2.27%
Byram Land Development, LLC	5,043,700	2	0.54%	2,214,100	2	0.42%
Byram Self Storage, LCC	4,250,000	3	0.46%	2,125,200	3	0.40%
Tozzo, Domenick C/O Lynnes Nissan	2,875,000	4	0.31%	1,907,500	4	0.36%
Panther Lake Camping Resort, Inc.	2,717,300	5	0.29%	1,448,100	5	0.28%
206 Acorn Development Corp.	2,296,600	6	0.25%	1,394,800	6	0.27%
Lake Lackawanna Investment Co.	1,970,500	7	0.21%	1,223,100	7	0.23%
Taxpayer 1	1,668,300	8	0.18%	986,600	9	0.19%
SC Realty, LLC	1,549,500	9	0.17%	823,400	10	0.16%
New Jersey CVS Pharmacy, LLC	1,502,500	10	0.16%			
One Main Street Sparta, LLC				1,025,100	8	0.19%
	<u>42,460,300</u>		<u>4.58%</u>	<u>25,104,900</u>		<u>4.77%</u>

Sourc: Municipal Tax Assessor's Office.

BYRAM TOWNSHIP SCHOOL DISTRICT

**School Tax Levies and Collections
Last Ten Years**

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2007	9,123,952	9,123,952	100.00%	
2008	9,506,949	9,506,949	100.00%	
2009	9,670,656	9,670,656	100.00%	
2010	10,502,403	10,502,403	100.00%	
2011	10,750,713	10,750,713	100.00%	
2012	10,944,901	10,944,901	100.00%	
2013	11,152,427	11,152,427	100.00%	
2014	11,362,800	11,362,800	100.00%	
2015	11,462,040	11,462,040	100.00%	
2016	11,679,738	11,679,738	100.00%	

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

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

BYRAM TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Loans Payable	Capital Leases	Early Retirement Incentive Plan	Capital Leases				
2007	8,015,000	346,687	9,568	231,951	-	8,603,206	2.20%	1,009	
2008	7,600,000	301,616	-	222,542	-	8,124,158	2.09%	955	
2009	7,160,000	255,172	62,971	212,357	-	7,690,500	1.91%	906	
2010	6,700,000	207,329	66,508	201,332	-	7,175,170	1.84%	846	
2011	6,220,000	157,982	44,930	189,397	-	6,612,309	1.70%	792	
2012	5,725,000	107,053	64,799	176,477	-	6,073,329	1.51%	731	
2013	5,205,000	54,421	49,710	162,491	-	5,471,622	1.32%	665	
2014	4,655,000		34,473	147,352	-	4,836,825	1.17%	592	
2015	4,075,000		19,056	130,964	-	4,225,020	0.99%	521	
2016	3,540,000		2,795	113,224	-	3,656,019	Not Available	455	

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

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

Exhibit J-11

BYRAM TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	8,015,000	-	8,015,000	1.52%	940
2008	7,600,000	-	7,600,000	1.43%	893
2009	7,160,000	-	7,160,000	1.35%	844
2010	6,700,000	-	6,700,000	0.60%	790
2011	6,220,000	-	6,220,000	0.56%	745
2012	5,725,000	-	5,725,000	0.52%	689
2013	5,205,000	-	5,205,000	0.56%	632
2014	4,655,000	-	4,655,000	0.50%	570
2015	4,075,000	-	4,075,000	0.44%	503
2016	3,540,000	-	3,540,000	0.38%	441

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit J-14.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

BYRAM TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Byram Township	\$ 2,300,262	100.000%	\$ 2,300,262
Other debt			
Sussex County General Obligation Debt	112,567,826	5.62116%	6,327,620
Subtotal, overlapping debt			<u>8,627,882</u>
Byram Township School District Direct Debt			<u>3,540,000</u>
Total direct and overlapping debt			<u><u>\$ 12,167,883</u></u>

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

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

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

(1) Debt Information as of December 31, 2015.

BYRAM TOWNSHIP SCHOOL DISTRICT
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized valuation basis	
2015	\$ 969,410,294
2014	963,464,408
2013	982,272,122
[A]	<u>\$ 2,915,146,824</u>
[A/3]	\$ 971,715,608
[B]	29,151,468
[C]	3,540,000
[B-C]	<u>\$ 25,611,468</u>

Average equalized valuation of taxable property

Debt limit (3 % of average equalization value)
 Total Net Debt Applicable to Limit
 Legal debt margin

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 30,880,303	\$ 33,744,182	\$ 35,240,813	\$ 35,411,337	\$ 34,709,624	\$ 34,040,367	\$ 32,568,452	\$ 31,046,876	\$ 29,599,980	\$ 29,151,468
Total net debt applicable to limit	8,361,687	309,216	7,415,172	6,907,329	6,377,982	5,832,053	5,259,421	4,655,000	4,075,000	3,540,000
Legal debt margin	<u>\$ 22,518,616</u>	<u>\$ 33,434,966</u>	<u>\$ 27,825,641</u>	<u>\$ 28,504,008</u>	<u>\$ 28,331,642</u>	<u>\$ 28,208,314</u>	<u>\$ 27,309,031</u>	<u>\$ 26,391,876</u>	<u>\$ 25,524,980</u>	<u>\$ 25,611,468</u>
Total net debt applicable to the limit as a percentage of debt limit	27.08%	0.92%	21.04%	19.51%	18.38%	17.13%	16.15%	14.99%	13.77%	12.14%

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

BYRAM TOWNSHIP SCHOOL DISTRICT

**Demographic and Economic Statistics
Last Ten Years**

<u>Year Ended June 30</u>	<u>School District Population (1)</u>	<u>Personal Income in Thousands \$ (2)</u>	<u>Per Capita Income (3)</u>	<u>Unemployment Rate (4)</u>
2007	8,529	391,643,151	45,919	4.50
2008	8,508	388,288,104	45,638	4.30
2009	8,486	402,372,176	47,416	5.50
2010	8,478	390,166,038	46,021	9.20
2011	8,350	389,602,650	46,659	9.80
2012	8,308	402,697,068	48,471	9.50
2013	8,234	413,091,546	50,169	9.50
2014	8,167	412,711,178	50,534	5.70
2015	8,106	428,410,206	52,851	6.20
2016	8,031	Not Available	Not Available	5.10

Source:

- (1) U.S. Bureau of the Census, Population Division,
(Estimates July 1, 2006-2015)
- (2) Personal income of the District is Based on the County Information.
- (3) U.S. Department of Commerce, County Information 2005-2014.
- (4) N.J. Department of Labor.

BYRAM TOWNSHIP SCHOOL DISTRICT

Schedule of Principal Employers

Current and Nine Years Ago

2015

2006

INFORMATION IS NOT AVAILABLE

BYRAM TOWNSHIP SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction										
Regular	70.5	70.5	70.5	64.0	56.0	59.0	62.0	68.0	65.0	61.7
Special education	15.0	15.0	23.0	25.0	24.0	27.0	22.0	17.0	27.0	33.6
Other instruction	5.0	5.0	4.0	4.0	4.0	3.0			3.0	2.0
Support Services:										
Student & instruction related services	6.9	6.9	8.0	6.0	8.0	6.0	15.0	29.0	21.5	19.0
General administration	2.0	4.0	4.0	4.0	4.0	2.0	2.0	2.0	2.0	2.0
School administrative services	3.0	3.5	7.0	6.0	5.0	5.0	5.0	8.5	7.0	7.0
Central services	3.1	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0
Administrative Information Technology		1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	0.0 *
Plant operations and maintenance	14.0	14.0	12.0	12.0	12.0	10.0	11.0	12.5	11.0	10.3
Transportation										1.2
Total	119.5	121.9	131.5	124.0	116.0	116.0	121.0	142.0	141.5	138.6

*Included in Student & instruction related services

Source: District Budget Records

BYRAM TOWNSHIP SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Pupil/Teacher Ratio</u>										
	<u>a</u>					<u>b</u>					
	<u>Enrollment</u>	<u>Expenditures</u>	<u>Cost Per Pupil</u>	<u>% Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>Middle</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2006-2007	1,174	13,230,406	11,270	5.83%	100	13:1	12:1	1,163	1,118	1.39%	96.13%
2007-2008	1,159	14,215,859	12,266	8.84%	97	12:1	11:1	1,160	1,110	-0.26%	95.69%
2008-2009	1,120	14,618,736	13,052	6.41%	98	12:1	11:1	1,122	1,078	-3.28%	96.08%
2009-2010	1,082	14,134,786	13,064	0.09%	93	11:1	11:1	1,083	1,039	-3.48%	95.94%
2010-2011	1,047	13,665,443	13,052	-0.09%	84	11:1	11:1	1,032	991	-4.71%	96.03%
2011-2012	1,033	14,276,048	13,820	5.88%	89	11:1	12:1	1,034	992	0.19%	95.94%
2012-2013	973	14,720,834	15,129	9.47%	87	10:1	13:1	958	916	-7.35%	95.62%
2013-2014	898	15,207,446	16,935	11.93%	85	10:1	10:1	885	845	-7.62%	95.48%
2014-2015	905	15,263,919	16,866	-0.41%	89	9:1	10:1	907	866	2.49%	95.48%
2015-2016	888	15,934,735	17,945	6.39%	93	8:1	12:1	880	841	-2.98%	95.57%

Sources: District Records

Note: Enrollment based on annual October district count.

a-Operating Expenditures equal total expenditures less debt service and capital outlay.

b-Teaching staff includes only full-time equivalents of certificated staff.

c-Average daily enrollment and average daily attendance are obtained from the School Register Summary at June 30.

**BYRAM TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years**

<u>District Buildings</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Elementary</u>										
Byram Lakes Elementary (2003)										
Square Feet	85,173	85,173	85,173	85,173	85,173	85,173	85,173	85,173	85,173	85,173
Capacity(students)	892	892	892	892	892	892	892	892	892	892
Enrollment	638	627	607	547	547	548	501	461	430	458
<u>Middle</u>										
Intermediate Middle School (1974)										
Square Feet	87,931	87,931	87,931	87,931	87,931	87,931	87,931	87,931	87,931	87,931
Capacity(students)	614	614	614	614	614	614	614	614	614	614
Enrollment	536	532	513	535	500	485	472	423	437	416

Number of Schools at June 30, 2016
Elementary=1
Middle=1

Source: District Facilities Office
Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions

BYRAM TOWNSHIP SCHOOL DISTRICT
 General Fund
 Schedule of Required Maintenance for School Facilities

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-xxx

* School Facilities	Project # (s)	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Intermediate Middle	N/A	\$ 186,473.00	104,777.00	79,356.76	46,320.81	134,685.41	48,434.82	50,921.00	97,869.72	60,220.00	79,186.00
Byram Lakes Elementary	N/A	60,813.00	37,111.00	82,595.00	38,319.00	32,079.73	20,866.57	31,117.00	29,858.91	31,530.00	29,520.00
Total School Facilities		\$ 247,286.00	141,888.00	161,951.76	84,639.81	166,765.14	69,301.39	82,038.00	127,728.63	91,750.00	108,706.00

* School facilities as defined under EFCA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

BYRAM TOWNSHIP SCHOOL DISTRICT

**Insurance Schedule
June 30, 2016**

	<u>Coverage</u>		<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund: (Pooled Coverage):	\$250,000,000	Fund Limit	
Building and Personal Property			\$2,500
Inland Marine - Auto Physical Damage			1000
General Liability including Auto, Employee Benefits	5,000,000		
Each Occurrence			
General Aggregate	100,000,000	Fund Aggregate	
Product/Completed Ops			
Personal Injury			
Fire Damage	2,500,000		
Medical Expenses (excluding students part. in athletics)	10,000		
Automobile Coverage			
Combined Single Limit			
Hired/Non-owned			
Environmental Impairment Liability	1,000,000 / 25,000,000	Fund Aggregate	10,000
Crime Coverage	50,000	Inside/Outside	1,000
Blanket Dishonesty Bond	500,000		1,000
Boiler & Machinery	100,000,000	Fund Limit	1,000
Excess Liability (AL/GL)	10,000,000		
School Board Legal	5,000,000		5,000
Excess SLPL	5,000,000		
Workers Compensation	Statutory		
Employer's Liability	5,000,000		
Surety Bonds (Selective Insurance)			
Treasurer	250,000		
Board Secretary / Business Asministrator	250,000		

Source: District records.

SINGLE AUDIT SECTION

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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K-1
Page 1 of 3

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

Honorable President and
Members of the Board of Education
Byram Township School District
County of Sussex, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Byram Township School District, in the County of Sussex, New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 2, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Byram Township Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Byram Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Byram Township Board of Education'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Byram Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Byram Township School District in the separate Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance dated September 2, 2016.

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.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

September 2, 2016

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K-2
Page 1 of 3

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE
AND N.J. OMB CIRCULAR 15-08**

Honorable President and
Members of the Board of Education
Byram Township School District
County of Sussex, New Jersey

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Township of Byram School District in the County of Sussex, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Byram Township Board of Education's major state programs for the year ended June 30, 2016. The Byram Township Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Byram Township Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether



noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Byram Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Byram Township Board of Education's compliance.

Opinion on Each Major State Program

In our opinion, the Byram Township Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Byram Township Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Byram Township Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Byram Township Board of Education's internal control over compliance.

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

Honorable President and
Members of the Board of Education

K-2
Page 3 of 3

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

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

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

September 2, 2016

BYRAM TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2016

Federal Grant/Pass-Through Grantor Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period		Award Amount	Balance at June 30, 2015	Carryover/ Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balance	Balance at June 30, 2016		MEMO Cumulative Total Expenditures
				From	To							Accounts Receivable	Deferred Revenue	
U.S. Department of Agriculture Passed-Through State Department of Education:														
Enterprise Fund:														
U.S.D.A. Commodities Program	10.550	16161NJ304N1099	N/A	07/01/14	06/30/15	18,094.27	2,461.41	(2,461.41)						*
U.S.D.A. Commodities Program	10.550	16161NJ304N1099	N/A	07/01/15	06/30/16	16,639.19		2,461.41	16,639.19	(15,899.08)		3,201.52		*
National School Lunch Program	10.555	16161NJ304N1099	N/A	07/01/14	06/30/15	33,783.44	(3,006.54)	3,006.54	28,683.36	(30,499.51)		(1,816.15)		*
National School Lunch Program	10.555	16161NJ304N1099	N/A	07/01/15	06/30/16	30,499.51								*
Total Enterprise Fund						(545.13)	3,006.54		45,322.55	(46,398.59)		3,201.52		*
U.S. Department of Education Passed-Through State Department of Education:														
Special Revenue Fund:														
Title I - Improving Basic Programs	84.010	S010A150030	NCLB0640-15	07/01/14	06/30/15	58,415.00	(13,445.00)		13,445.00					*
Title I - Improving Basic Programs	84.010	S010A150030	NCLB0640-16	07/01/15	06/30/16	59,691.00	(13,445.00)		36,432.50	(44,629.81)				*
									49,877.50	(44,629.81)				*
Title II-A- Teacher & Principal Training/Recruiting	84.367	S367A150029	NCLB0640-15	07/01/14	06/30/15	14,746.00	(6,600.00)		6,600.00					*
Title II-A- Teacher & Principal Training/Recruiting	84.367	S367A150029	NCLB0640-16	07/01/15	06/30/16	14,746.00	(6,600.00)		2,347.00	(5,228.52)				*
									8,947.00	(5,228.52)				*
ID.E.A. Part B - Basic Regular	84.027	H027A150100	IDEA0640-15	07/01/14	06/30/15	184,066.00	(12,605.00)		12,605.00					*
ID.E.A. Part B - Basic Regular	84.027	H027A150100	IDEA0640-16	07/01/15	06/30/16	192,151.00	(4,275.00)		192,151.00	(192,151.00)				*
ID.E.A. Part B - Preschool	84.173	H173A150114	IDEA0640-15	07/01/14	06/30/15	10,096.00			4,275.00					*
ID.E.A. Part B - Preschool	84.173	H173A150114	IDEA0640-16	07/01/15	06/30/16	15,638.00	(16,880.00)		15,638.00	(15,638.00)				*
									224,669.00	(207,789.00)				*
Total Special Revenue Fund						(36,925.00)			283,493.50	(257,647.33)		(11,078.83)		*
TOTAL FEDERAL FINANCIAL AWARDS						(37,470.13)	3,006.54		328,816.05	(304,045.92)		3,201.52		*

NOTE: THIS SCHEDULE WAS NOT SUBJECT TO AN AUDIT IN ACCORDANCE WITH FEDERAL OMB UNIFORM GUIDANCE.

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

BYRAM TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period		Balance at June 30, 2015		Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjustment/ Repayment of Prior Year's Balance	Balance at June 30, 2016			MEMO		
		From	To	Deferred Revenue/ (Accts. Receivable)	Due To Grantor					Accounts Receivable	Deferred Revenue	Due To Grantor at		Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:															
General Fund:															
Special Education Categorical Aid	16-495-034-5120-089	07/01/15	06/30/16		542,873.00		489,602.00	(542,873.00)					*	(53,271.00)	542,873.00
School Choice Aid	16-495-034-5120-068	07/01/15	06/30/16		326,469.00		294,433.00	(326,469.00)					*	(32,036.00)	326,469.00
Equitization Aid	16-495-034-5120-078	07/01/15	06/30/16		2,512,278.00		2,265,752.00	(2,512,278.00)					*	(246,526.00)	2,512,278.00
Security Aid	16-495-034-5120-084	07/01/15	06/30/16		70,573.00		63,648.00	(70,573.00)					*	(6,925.00)	70,573.00
Per Pupil Growth Aid	16-495-034-5120-097	07/01/15	06/30/16		8,395.00		7,571.00	(8,395.00)					*	(824.00)	8,395.00
PARCC Readiness Aid	16-495-034-5120-098	07/01/15	06/30/16		8,395.00		7,571.00	(8,395.00)					*	(824.00)	8,395.00
State Aid - Public Cluster															
Transportation Aid	16-495-034-5120-014	07/01/15	06/30/16		325,211.00		293,299.00	(325,211.00)					*	(31,912.00)	325,211.00
Extraordinary Special Education Costs Aid	15-100-034-5130-473	07/01/14	06/30/15		76,927.00		72,913.00						*		76,927.00
Extraordinary Special Education Costs Aid	16-100-034-5130-473	07/01/15	06/30/16		106,924.00			(106,924.00)					*		106,924.00
Reimbursement of Nonpublic Transportation	15-495-034-5130-014	07/01/14	06/30/15		5,232.00		4,857.00						*		5,232.00
Reimbursement of Nonpublic Transportation	16-495-034-5130-014	07/01/15	06/30/16		2,956.00			(2,956.00)					*		2,956.00
On-Behalf TPAF - Post Retirement Medical	16-495-034-5094-001	07/01/15	06/30/16		613,203.00		613,203.00						*		613,203.00
On-Behalf TPAF - Pension	16-495-034-5094-002	07/01/15	06/30/16		490,548.00		490,548.00						*		490,548.00
On-Behalf TPAF - Non-contributory Insurance	16-495-034-5094-004	07/01/15	06/30/16		24,436.00		24,436.00						*		24,436.00
Reimbursed TPAF - Social Security	16-495-034-5094-003	07/01/15	06/30/16		500,189.55		500,189.55						*		500,189.55
Total General Fund					(77,770.00)		5,128,022.55	(5,532,450.55)			(109,880.00)		*	(372,318.00)	5,614,609.55
Capital Projects Fund:															
Add'l State School Building Aid - ECFA Grant	0-030-13-2001-G04	N/A			395,912.00						(41,049.20)		*		350,884.40
Total Capital Projects Fund											(41,049.20)		*		350,884.40
State Department of Agriculture:															
Enterprise Fund:															
National School Lunch Program (State Share)	15-100-010-3350-023	07/01/14	06/30/15		1,933.15		183.26						*		1,933.15
National School Lunch Program (State Share)	16-100-010-3350-023	07/01/15	06/30/16		1,810.03		1,706.18	(1,810.03)			(103.85)		*		1,810.03
Total Enterprise Fund					(183.26)		1,889.44	(1,810.03)			(103.85)		*		3,743.18
TOTAL					(119,002.46)		5,129,911.99	(5,534,260.58)			(151,033.05)		*	(372,318.00)	5,969,237.13
Less On-Behalf TPAF Pension and Annuity Aid															
On-Behalf TPAF - Post Retirement Medical	16-495-034-5094-001	07/01/15	06/30/16		613,203.00		613,203.00						*		613,203.00
On-Behalf TPAF - Pension Contributions	16-495-034-5094-002	07/01/15	06/30/16		490,548.00		490,548.00						*		490,548.00
On-Behalf TPAF - Non-contributory Insurance	16-495-034-5094-004	07/01/15	06/30/16		24,436.00		24,436.00						*		24,436.00
TOTAL FOR STATE FINANCIAL ASSISTANCE DETERMINATION					(119,002.46)		4,001,724.99	(4,406,073.58)			(151,033.05)		*	(372,318.00)	4,841,050.13

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Township of Byram School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(4,897.00) for the general fund and \$6,600.00 for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$5,527,553.55	\$5,527,553.55
Special Revenue Fund	264,247.33		264,247.33
Food Service Fund	<u>46,398.59</u>	<u>1,810.03</u>	<u>48,208.62</u>
Total Awards and Financial	<u>\$310,645.92</u>	<u>\$5,529,363.58</u>	<u>\$5,840,009.50</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District’s financial statements and the amounts subject to State single audit and major program determination.

NOTE 7. INDIRECT COST RATE

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

TOWNSHIP OF BYRAM SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no
2. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Not Applicable

**TOWNSHIP OF BYRAM SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(continued)**

Section I - Summary of Auditor's Results, (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? X yes _____ no

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

Internal Control over major programs:

1. Material weakness(es) identified? _____ yes X no

2. Significant deficiencies identified that are not
considered to be material weaknesses? _____ yes X none reported

Any audit findings disclosed that are required to be reported
in accordance with NJ OMB Circular Letter 15-08,
as applicable? _____ yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
_____	State Aid Public Cluster: _____
_____ 16-495-034-5120-078 _____	_____ Equalization Aid _____
_____ 16-495-034-5120-089 _____	_____ Special Education Aid _____
_____ 16-495-034-5120-084 _____	_____ Security Aid _____
_____ 16-495-034-5120-068 _____	_____ School Choice Aid _____
_____ 16-495-034-5120-097 _____	_____ Per Pupil Growth Aid _____
_____ 16-495-034-5120-098 _____	_____ PARCC Readiness Aid _____

**TOWNSHIP OF BYRAM SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(continued)**

Section II - Financial Statement Findings

None

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

No matters were reported.

**TOWNSHIP OF BYRAM SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Status of Prior Year Findings

There were no prior year audit findings.