

**BYRAM TOWNSHIP
SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017**

**Comprehensive Annual
Financial Report**

of the

BYRAM TOWNSHIP SCHOOL DISTRICT

Byram, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

**Byram Township Board of Education
Finance Department**

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INTRODUCTORY SECTION

TOWNSHIP OF BYRAM BOARD OF EDUCATION

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September 7, 2017

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

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Byram Township School District (District) for the fiscal year ended June 30, 2017. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Byram Township School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, this Letter of Transmittal, List of Principal Officials, and an Organization Chart of the School District.
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis; the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.
 - The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis.
 - The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs (if any), are included in the single audit section of this report.

School District Organization

The Byram Township School District is one of 616 school districts in the State of New Jersey and one of 26 school districts in Sussex County. The School District provides education for its preschool handicapped through eighth grade students. Geographically, the District is comprised of the Township of Byram only.

The School District's total area is 22.48 square miles. The 864 elementary students enrolled in the Byram Township School District attend two schools comprising the District. Students for 9th through 12th grade attend the Lenape Valley Regional High School in Stanhope, N.J.

An elected seven-member Board of Education (the "Board") serves as the policy maker for the School District. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of School District tax money.

The Superintendent is the chief executive officer of the School District, responsible to the Board for total educational and support operations. The Business Administrator/Board Secretary is the chief financial officer of the School District, responsible for maintaining all financial records, issuing warrants in payment of liabilities incurred by the School District, acting as custodian of all School District funds, and investing idle funds as permitted by New Jersey law.

Reporting Entity and its Services

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

The District completed the 2016-17 fiscal year with an average daily enrollment of 869 students, which is 11 students less than the previous year's average daily enrollment. The District provides a full range of educational services appropriate to grade levels Preschool through 8. These include regular, as well as special education for handicapped youngsters preschool through grade 8.

Economic Condition and Outlook

The School District, along with many other public school systems in the State, still faces some difficult economic situations in the future since the primary funding source is property tax revenue. State aid has remained stable for several years however the funding formula is being debated and the outcome at this time is uncertain. The district has 34 Choice students and receives over \$300,000 in additional aid as a result of the Choice program.

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

EDUCATIONAL PROGRAM

The Board of Education continues to maintain a quality education program for its preschool through eighth grade students. Attention has focused on language arts, math, science, social studies, and special-areas curriculum. Spanish instruction is a key component for our world languages/culture program. The kindergarten classes are offered as a full-day program and an emphasis is placed on language arts and math instruction. Balanced literacy instruction, especially in the early grades, continues as a priority. Remedial and special education programs continue to be implemented so that students with specific learning needs will have increased opportunities for success. The Board supports the technology program and has invested in the Chromebook 1:1 initiative in grades 3 - 8 and training. The Byram Education Foundation has donated many resources to assist our school program.

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 achievement and academic growth is always a continuing goal of the district while we continue to improve and enhance instructional strategies through professional development of our staff to support 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 gathered 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 are administered to students at least three times per year. Last year the program was implemented at the intermediate school level and will be utilized at the elementary level this coming school year. In conjunction with this program, the district is in its third 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 its 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 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. This year Chromebooks will also be utilized in second grade classrooms. 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 exterior of the columns in the front of the Byram Lakes Elementary School have been replaced. This was more of an aesthetic endeavor as the steel columns inside the columns were structurally sound. The area of the intermediate school identified as open space continues to be a focus of a future facilities project as tentative plans are being considered to repurpose the space for instructional or office space or a combination of the two.

Internal Accounting Controls

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

As a recipient of federal awards and state financial assistance programs, 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. The internal control system is also subject to periodic evaluation by the District management.

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

Budgetary Controls

In addition to internal accounting controls, the District maintains budgetary controls. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The original budget, budget transfers during the year, and final budget amount for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments, and/or assignments at June 30, 2017.

Accounting System and Reports

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

Cash Management

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

Risk Management

The District continues to protect its assets through a comprehensive insurance program through coverage obtained from the School Alliance Insurance Fund. The Fund is a school district joint self-insurance fund formed under the provisions of the New Jersey Statutes. The Fund's membership is comprised of local and regional school districts. Coverage includes property loss, crime and fidelity, comprehensive general liability, auto insurance, workers' compensation, school leaders professional liability, supplemental workers' compensation and underground storage tank (pollution liability). Other policies purchased from other insurance companies include fidelity bonds for the School Business Administrator/Board Secretary and Board Treasurer of School Monies. Additional policies purchased were for Student Accident Insurance.

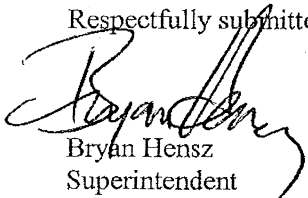
Other Information - Independent Audit


State statutes require an annual audit by independent certified public accountants. The accounting firm of Nisivoccia LLC was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 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 supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Acknowledgements

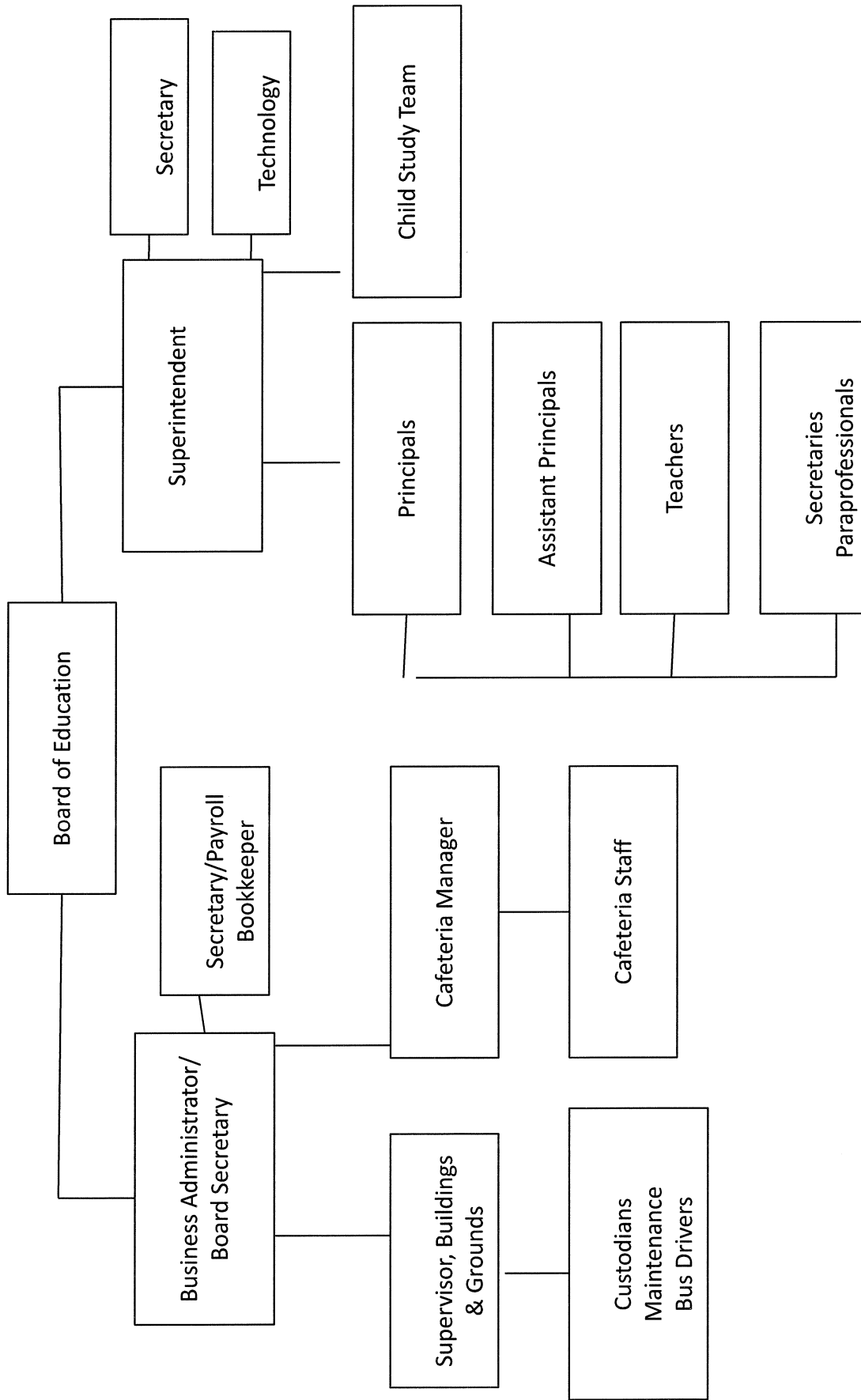
We would like to express our appreciation to the members of the Township of Byram School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,


Bryan Hensz
Superintendent


Alice Bresett
Business Administrator

Byram Township Board of Education Organizational Chart/Chain of Command



**BYRAM TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2017**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Andrew McElroy	President	2019
Kathleen Walsh	Vice President	2018
Kim Dachisen	Member	2018
Shelley Credidio	Member	2019
Kelley Dilley	Member	2017
MaryAnn Risley	Member	2017
Lori Sanchez	Member	2017

Other Officers

Bryan Hensz, Superintendent
Alice Bresett, Business Administrator/Board Secretary
Kerry A. Keane, Treasurer of School Monies

**BYRAM TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors**

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FINANCIAL SECTION

Independent Auditors' Report

The 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 (the "District") in the County of Sussex, as of and for the fiscal year ended June 30, 2017, 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 misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position 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, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The financial statements of the District as of June 30, 2016 were audited by other auditors whose report dated September 2, 2016 expressed an unmodified opinion.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension schedules in Exhibits L-1 through L-4 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Honorable President and Members
of the Board of Education
Byram Township School District
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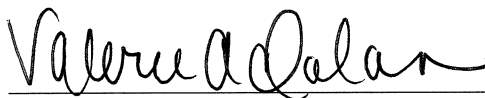
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 District's internal control over financial reporting and compliance.

September 7, 2017
Mount Arlington, New Jersey

NISIVOCCIA LLP



Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

**Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2017
(Unaudited)**

This section of Byram Township School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

Financial Highlights

- The District’s financial status is stable, despite minimal increases in state aid for several years and changes in the net pension liability and related deferred inflows and outflows.
- Overall revenue was \$21.21 million.
- Overall expenses were \$20.70 million.

Overview of the Financial Statements

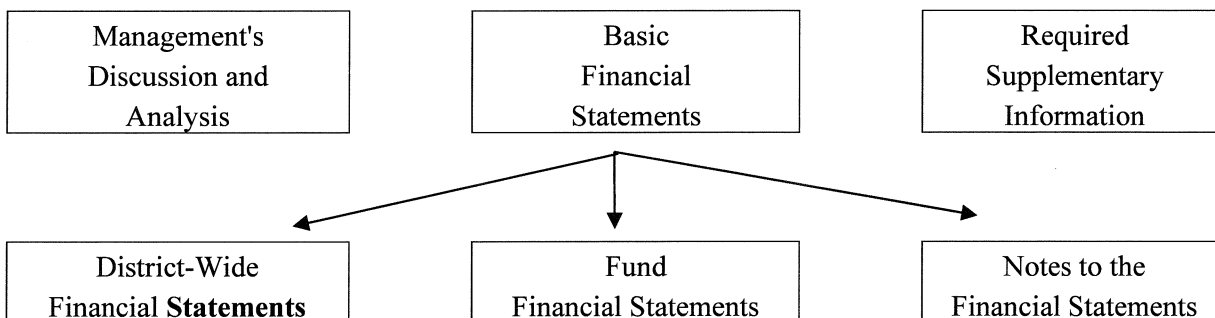
This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1
Organization of K-8 School District’s Financial Report**



**Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2017
(Unaudited)**

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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2017
(Unaudited)

District-wide Statements

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

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

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

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

Fund Financial Statements

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

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

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The District uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2017
(Unaudited)

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Notes to the Basic Financial Statements: The notes provide basic information that is essential to a full understanding of the data provided in the District-wide and Fund financial statements. The notes to the basic financial statements can be found immediately following the Fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position at June 30, 2017 increased \$506,663 from the previous year. The net position from governmental activities increased \$532,112 and the net position from business activities decreased \$25,449. The net investment in capital assets increased by \$426,433, due to capital asset additions of \$577,273, redemption of outstanding debt of \$682,795, offset by depreciation expense of \$827,722 and capital asset deletions of \$5,913. Restricted net position increased by \$564,566 due to an increase in the capital reserve of \$498,457, an increase in maintenance reserve of \$100,000, offset by a decrease in the debt service fund of \$33,891. Unrestricted net position decreased by \$484,336, mainly due to an increase in net pension liability and in unamortized deferred outflows related to pensions.

Figure A-3
Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	
Current and Other Assets	\$ 3,373,283	\$ 3,049,699	\$ 46,763	\$ 49,172	\$ 3,420,046	\$ 3,098,871	10.36%
Capital Assets, Net	14,542,608	14,782,354	19,477	36,093	14,562,085	14,818,447	-1.73%
Total Assets	17,915,891	17,832,053	66,240	85,265	17,982,131	17,917,318	0.36%
Deferred Outflows of Resources	1,346,347	633,785			1,346,347	633,785	112.43%
Other Liabilities	328,239	280,375	22,303	15,879	350,542	296,254	18.32%
Long-Term Liabilities	7,496,959	7,197,425			7,496,959	7,197,425	4.16%
Total Liabilities	7,825,198	7,477,800	22,303	15,879	7,847,501	7,493,679	4.72%
Deferred Inflows of Resources	165,921	249,031			165,921	249,031	-33.37%
Net Position:							
Net Investment in							
Capital Assets	11,682,608	11,239,559	19,477	36,093	11,702,085	11,275,652	3.78%
Restricted	2,988,124	2,423,558			2,988,124	2,423,558	23.29%
Unrestricted / (Deficit)	(3,399,613)	(2,924,110)	24,460	33,293	(3,375,153)	(2,890,817)	-16.75%
Total Net Position	\$11,271,119	\$10,739,007	\$ 43,937	\$ 69,386	\$11,315,056	\$10,808,393	4.69%

Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2017
(Unaudited)

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	
Revenue:							
Program Revenue:							
Charges for Services		\$ 13,000	\$ 165,243	\$ 164,273	\$ 165,243	\$ 177,273	-6.79%
Operating Grants & Contributions	\$ 6,123,576	264,247	55,307	48,209	6,178,883	312,456	1877.52%
Capital Grants & Contributions	(39,618)				(39,618)		100.00%
General Revenue:							
Property Taxes	11,773,011	11,679,738			11,773,011	11,679,738	0.80%
Tuition	83,512	46,080			83,512	46,080	81.23%
Unrestricted Federal & State Aid	2,933,786	7,508,588			2,933,786	7,508,588	-60.93%
Other	113,988	(6,839)	2,445	4	116,433	(6,835)	-1803.48%
Total Revenue	20,988,255	19,504,814	222,995	212,486	21,211,250	19,717,300	7.58%
Expenses:							
Instruction	12,013,564	8,127,094			12,013,564	8,127,094	47.82%
Pupil & Instruction Services	3,354,074	2,636,471			3,354,074	2,636,471	27.22%
Administrative & Business	1,888,914	1,532,339			1,888,914	1,532,339	23.27%
Maintenance & Operations	1,529,067	1,347,036			1,529,067	1,347,036	13.51%
Transportation	618,872	607,539			618,872	607,539	1.87%
Other	1,051,652	4,566,148	248,444	222,961	1,300,096	4,789,109	-72.85%
Total Expenses	20,456,143	18,816,627	248,444	222,961	20,704,587	19,039,588	8.74%
Change in Net Position	\$ 532,112	\$ 688,187	\$ (25,449)	\$ (10,475)	\$ 506,663	\$ 677,712	-25.24%

Revenue Sources. The District's total revenue for the 2016-2017 school year was \$21,211,250, (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$11,773,011 of the total, or 55.50 percent. (See Figure A-5). Approximately 42.97 percent came from state and federal aid and the remainder from miscellaneous sources, tuition and other charges for services.

Figure A-5
Sources of School District Revenue - Fiscal Year 2017

	Amount	Percentage
Sources of Income:		
State Formula Aid	\$ 3,801,866	17.93%
Property Taxes	11,773,011	55.50%
Tuition	83,512	0.39%
Federal and State Categorical Grants	5,310,803	25.04%
Capital Grants and Contributions	(39,618)	-0.19%
Charges for Services	165,243	0.78%
Other	116,433	0.55%
	\$ 21,211,250	100.00%

**Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2017
(Unaudited)**

The total cost of all programs and services was \$20,704,587. The District's expenses are predominantly related to instructing and caring for pupil services and transportation (77.21 percent). (See Figure A-6). The District's administrative and maintenance and operations activities accounted for 16.51 percent of total costs. It is important to remember that depreciation and accrued interest are included in expenses for the year.

**Figure A-6
Sources of School District Expenses - Fiscal Year 2017**

Expense Category:	<u>Amount</u>	<u>Percentage</u>
Instruction	\$ 12,013,564	58.02%
Pupil and Instruction Services	3,354,074	16.20%
Administrative and Business	1,888,914	9.12%
Maintenance and Operations	1,529,067	7.39%
Transportation	618,872	2.99%
Other	1,300,096	6.28%
	<u>\$ 20,704,587</u>	<u>100.00%</u>

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District increased from the prior year. Once again, the state aid remained flat aside from an increase related to professional learning community aid. Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions implemented or continued during the year were:

- Participation in an insurance pool operated by School Alliance Insurance Fund resulting in low cost property, liability and workers compensation insurance.
- Participation in a group health plan with AETNA – which resulted in significant savings as compared to the State Health Benefits Program.
- Participation in joint purchasing agreements.

It is crucial that the District examine its expenses carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

**Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2017
(Unaudited)**

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial obligation placed on the District's taxpayers by each of these functions:

**Figure A-7
Net Cost of Governmental Activities**

	Total Costs of Services		Net Cost of Services	
	2016/2017	2015/2016	2016/2017	2015/2016
Instruction	\$ 12,013,564	\$ 8,127,094	\$ 7,616,001	\$ 7,873,773
Pupil and Instruction Services	3,354,074	2,636,471	2,513,936	2,612,546
Administrative and Business	1,888,914	1,532,339	1,439,972	1,532,339
Maintenance and Operations	1,529,067	1,347,036	1,351,069	1,347,037
Transportation	618,872	607,539	276,425	607,538
Other	1,051,652	4,566,148	1,091,270	4,566,148
	<u>\$ 20,456,143</u>	<u>\$ 18,816,627</u>	<u>\$ 14,288,673</u>	<u>\$ 18,539,381</u>

- The cost of all governmental activities this year was \$20.46 million.
- The federal and state governments subsidized certain programs with grants and contributions of \$9.07 million.
- Approximately \$11.77 million of the District's costs were financed by District taxpayers.
- The remainder of the funding came from charges for services, miscellaneous revenue and investment earnings.

Business-Type Activities

Net position from the District's business-type activity decreased by \$25,449 (Refer to Figure A-4). Factors contributing to these results included:

- Food service charges for services only increased by \$970. 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 increased by \$7,098.
- Food service expenses increased by \$25,483. Most of the increase is in cost of sales which increased by \$24,247 and depreciation expense of \$8,340, offset by a decrease in supplies and other costs of \$9,164.

**Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2017
(Unaudited)**

Financial Analysis of the District's Funds

The District's financial position in the General Fund remained stable due to careful planning and monitoring of expenditures despite significant changes in student needs as well as increased salary and health benefit costs. Expenditures during the recent year increased in the area of instruction due to the focus on the use of technology including the expansion of the 1:1 Chromebook initiative and hiring of additional staff to focus on improvement of basic skills. Health benefit costs were up due to higher cost increases.

These factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into two categories:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.
- Changes in budgetary line accounts to more accurately reflect current requirements.

Capital Asset and Long-Term Liabilities Administration

At year-end, the District had \$14,562,085 in capital assets as shown in Figure A-8. Capital Assets had a net decrease of \$256,362 or 1.73% less than the prior year. The District had \$577,273 of additions offset by \$827,722 of depreciation expense and \$5,913 of deletions.

**Figure A-8
Capital Assets (Net of Depreciation)**

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	
Land	\$ 2,136,587	\$ 2,136,587			\$ 2,136,587	\$ 2,136,587	0.00%
Site Improvements	962,570				962,570		100.00%
Construction in Progress	57,500	82,250			57,500	82,250	-30.09%
Buildings and Building Improvements	10,634,330	\$11,672,987			10,634,330	11,672,987	-8.90%
Machinery and Equipment	751,621	890,530	\$ 19,477	\$ 36,093	771,098	926,623	-16.78%
Total Capital Assets (Net of Depreciation)	\$14,542,608	\$14,782,354	\$ 19,477	\$ 36,093	\$14,562,085	\$14,818,447	-1.73%

**Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2017
(Unaudited)**

Long-term Liabilities

At year-end, the District had \$2,860,000 in general obligation bonds outstanding as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements.)

**Figure A-9
Outstanding Long-Term Debt**

	Total School District		Percentage Change
	2016/2017	2015/2016	
General Obligation Bonds (Financed with Property Taxes)	\$ 2,860,000	\$ 3,540,000	-19.21%
Capital Leases		2,795	-100.00%
Net Pension Liability	4,341,527	3,306,525	31.30%
Early Retirement Incentive Program Payable	94,020	113,224	-16.96%
Compensated Absences	201,412	234,881	-14.25%
	<u>\$ 7,496,959</u>	<u>\$ 7,197,425</u>	<u>4.16%</u>

- The District continued to pay down its long-term liabilities, retiring \$680,000 of outstanding bonds.
- Capital Leases were paid in full this year.
- Compensated absences payable decreased by a net amount of \$33,469 from the prior year.
- The Early Retirement Incentive Program Payable was also reduced in the amount of \$19,204 this year.
- The Net Pension Liability increased by a net of \$1,035,002 from the prior year.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstance that could continue to significantly affect its financial health in the future:

- Increasing health benefit costs
- Unfunded state mandates
- Uncertainty of state aid allotments
- Rising costs of professional services

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BYRAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 257,062	\$ 31,434	\$ 288,496
Interfund Receivable	4,308		4,308
Receivable from State Government	91,115	147	91,262
Receivable from Federal Government	19,376	2,877	22,253
Receivables from Other Governments	18,638		18,638
Internal Balances	(4,972)	4,972	
Inventories		7,333	7,333
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	2,887,756		2,887,756
Maintenance Reserve Account - Cash and Cash Equivalents	100,000		100,000
Capital Assets:			
Site (Land) and Construction in Progress	2,194,087		2,194,087
Depreciable Site Improvements, Building and Building Improvements, and Machinery and Equipment	12,348,521	19,477	12,367,998
Total Assets	<u>17,915,891</u>	<u>66,240</u>	<u>17,982,131</u>
DEFERRED OUTFLOW OF RESOURCES			
Changes in Assumptions - Pensions	899,332		899,332
Difference between Expected and Actual Experience - Pensions	80,739		80,739
Net Difference between Projected and Actual Investment Earnings - Pensions	165,546		165,546
Changes in Proportions - Pensions	54,730		54,730
District Contribution Subsequent to Measurement Date - Pensions	146,000		146,000
Total Deferred Outflows of Resources	<u>1,346,347</u>		<u>1,346,347</u>
LIABILITIES			
Accrued Interest Payable	14,097		14,097
Accounts Payable - Vendors	307,542	13,740	321,282
Payable to Federal Government	6,600		6,600
Unearned Revenue - Prepaid Sales		5,454	5,454
Unearned Revenue		3,109	3,109
Noncurrent Liabilities:			
Due Within One Year	726,838		726,838
Due Beyond One Year	6,770,121		6,770,121
Total Liabilities	<u>7,825,198</u>	<u>22,303</u>	<u>7,847,501</u>
DEFERRED INFLOWS OF RESOURCES			
Changes in Proportions - Pensions	165,921		165,921
Total Deferred Inflows of Resources	<u>165,921</u>		<u>165,921</u>
NET POSITION			
Net Investment in Capital Assets	11,682,608	19,477	11,702,085
Restricted for:			
Debt Service	368		368
Capital Projects	2,887,756		2,887,756
Maintenance	100,000		100,000
Unrestricted (Deficit)	(3,399,613)	24,460	(3,375,153)
Total Net Position	<u>\$ 11,271,119</u>	<u>\$ 43,937</u>	<u>\$ 11,315,056</u>

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

BYRAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating		Governmental Activities	Business-Type Activities	Total
			Grants and Contributions	Capital Grants and Contributions			
Governmental Activities:							
Instruction:							
Regular	\$ 8,174,622		\$ 2,470,957		\$ (5,703,665)		\$ (5,703,665)
Special Education	3,228,163		1,743,883		(1,484,280)		(1,484,280)
Other Special Instruction	293,379		182,723		(110,656)		(110,656)
School-Sponsored/Other Instruction	317,400				(317,400)		(317,400)
Support Services:							
Tuition	326,902	\$ 83,512			(243,390)		(243,390)
Student & Instruction Related Services	3,027,172		756,626		(2,270,546)		(2,270,546)
General Administrative Services	558,274		122,986		(435,288)		(435,288)
School Administrative Services	809,082		212,145		(596,937)		(596,937)
Central Services	447,985		113,811		(334,174)		(334,174)
Administrative Information Technology	73,573				(73,573)		(73,573)
Plant Operations and Maintenance	1,529,067		177,998		(1,351,069)		(1,351,069)
Pupil Transportation	618,872		342,447		(276,425)		(276,425)
Capital Outlay	69,850			\$ (39,618)	(109,468)		(109,468)
Unallocated Depreciation	808,665				(808,665)		(808,665)
Transfer to Charter School	116,831				(116,831)		(116,831)
Interest on Long-Term Debt	56,306				(56,306)		(56,306)
Total Governmental Activities	20,456,143	83,512	6,123,576	(39,618)	(14,288,673)		(14,288,673)

BYRAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities: Food Service	\$ 248,444	\$ 165,243	\$ 55,307		\$ (27,894)	\$ (27,894)	
Total Business-Type Activities	248,444	165,243	55,307		(27,894)	(27,894)	
Total Primary Government	\$20,704,587	\$ 248,755	\$ 6,178,883	\$ (39,618)	\$ (14,288,673)	(27,894)	(14,316,567)

General Revenue and Other Items:

Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 11,067,244		\$ 11,067,244
Taxes Levied for Debt Service					705,767		705,767
Federal and State Aid not Restricted					2,933,786		2,933,786
Interest						\$ 4	4
Miscellaneous Income					115,419		115,419
Cancellation on Prior Year Accounts Receivable					(1,431)		(1,431)
Adjustment to Capital Assets						2,441	2,441
Total General Revenue and Other Items					14,820,785	2,445	14,823,230
Change in Net Position					532,112	(25,449)	506,663
Net Position - Beginning					10,739,007	69,386	10,808,393
Net Position - Ending					\$ 11,271,119	\$ 43,937	\$ 11,315,056

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

FUND FINANCIAL STATEMENTS

BYRAM TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 172,702		\$ 83,992	\$ 368	\$ 257,062
Interfund Receivable	16,644				16,644
Receivables From Federal Government		\$ 19,376			19,376
Receivables From State Government	91,115				91,115
Other Receivables	18,638				18,638
Restricted Cash and Cash Equivalents	2,987,756				2,987,756
Total Assets	\$ 3,286,855	\$ 19,376	\$ 83,992	\$ 368	\$ 3,390,591
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable - Vendors	\$ 103,602	\$ 440	\$ 57,500		\$ 161,542
Interfund Payable	4,972	12,336			17,308
Payable to Federal Government		6,600			6,600
Total Liabilities	108,574	19,376	57,500		185,450
Fund Balances:					
Restricted:					
Capital Reserve Account	2,887,756				2,887,756
Maintenance Reserve Account	100,000				100,000
Debt Service Fund				\$ 368	368
Committed:					
Capital Projects Fund			26,492		26,492
Assigned:					
Year End Encumbrances	176,686				176,686
Unassigned	13,839				13,839
Total Fund Balances	3,178,281		26,492	368	3,205,141
Total Liabilities and Fund Balances	\$ 3,286,855	\$ 19,376	\$ 83,992	\$ 368	\$ 3,390,591

BYRAM TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017
(Continued)

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are different because:

Total Fund Balances - Governmental Funds (Above)	\$ 3,205,141
Capital assets used in Governmental Activities are not financial resources and are not reported in the Funds. The cost of the assets is \$26,928,963 and the accumulated depreciation is \$12,386,355.	14,542,608
Interest on long-term debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(14,097)
Long-Term Liabilities are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(3,155,432)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(4,341,527)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds.	
Deferred Outflows:	
Changes in Assumptions - Pensions	899,332
Difference in Expected and Actual Experience - Pensions	80,739
Net Difference between Projected and Actual Investment Earnings - Pensions	165,546
Changes in Proportions - Pensions	54,730
Deferred Inflows:	
Changes in Proportions - Pensions	(165,921)
Net Position of Governmental Activities	\$ 11,271,119

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

BYRAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 11,067,244			\$ 705,767	\$ 11,773,011
Tuition - Other LEA's Within the State	61,387				61,387
Tuition - Other Sources	22,125				22,125
Rents and Royalties	8,903				8,903
Private Contributions	7,500				7,500
Miscellaneous	99,016				99,016
Total - Local Sources	11,266,175			705,767	11,971,942
State Sources	5,711,927		\$ (39,618)		5,672,309
Federal Sources		\$ 258,501			258,501
Total Revenue	16,978,102	258,501	(39,618)	705,767	17,902,752

EXPENDITURES:

Current:

Regular Instruction	4,362,201	67,655			4,429,856
Special Education Instruction	1,621,388	190,846			1,812,234
Other Special Instruction	298,442				298,442
School Sponsored/Other Instruction	26,127				26,127
Support Services and Undistributed Costs:					
Tuition	326,902				326,902
Student & Instruction Related Services	1,805,112				1,805,112
General Administrative Services	359,989				359,989
School Administrative Services	452,571				452,571
Central Services	267,624				267,624

BYRAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Support Services and Undistributed Costs:					
Administrative Information Technology	\$ 73,573				\$ 73,573
Plant Operations and Maintenance	1,180,966				1,180,966
Pupil Transportation	587,470				587,470
Unallocated Benefits	4,495,998				4,495,998
Capital Outlay	638,769				638,769
Transfer of Funds to Charter Schools	116,831				116,831
Debt Service:					
Principal				\$ 680,000	680,000
Interest and Other Charges				59,658	59,658
Total Expenditures	<u>16,613,963</u>	<u>258,501</u>		<u>739,658</u>	<u>17,612,122</u>
Excess/(Deficit) of Revenue over/(under) Expenditures	364,139		\$ (39,618)	(33,891)	290,630
OTHER FINANCING SOURCES (USES):					
Cancellation on Prior Year Accounts Receivable			(1,431)		(1,431)
Total Other Financing Sources (Uses)			<u>(1,431)</u>		<u>(1,431)</u>
Net Change in Fund Balances	364,139		(41,049)	(33,891)	289,199
Fund Balance - July 1	<u>2,814,142</u>		<u>67,541</u>	<u>34,259</u>	<u>2,915,942</u>
Fund Balance - June 30	<u>\$ 3,178,281</u>	<u>\$ -0-</u>	<u>\$ 26,492</u>	<u>\$ 368</u>	<u>\$ 3,205,141</u>

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

BYRAM TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 289,199

Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are Different Because:

Capital Outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which Depreciation Expense and deletions/adjustments differed from Capital Outlays in the period.

Depreciation Expense	\$	(808,665)
Capital Outlays		577,273
Deletions/Adjustments		<u>(8,354)</u>
		(239,746)

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Changes in Net Pension Liability		(1,035,002)
Deferred Outflows:		
Net Difference between projected and actual investment earnings on Pension Plan Investments		218,710
Changes in Assumptions		544,239
Difference between Expected and Actual Experience		1,855
Changes in Proportions		29,947
Deferred Inflows:		
Changes in Proportions		<u>(15,910)</u>

(256,161)

Repayment of capital lease is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)

2,795

BYRAM TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)	\$ 680,000
Repayment of Early Retirement Incentive Program Payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)	19,204
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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)	33,468
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation. (+)	<u>3,353</u>
Change in Net Position (Exhibit A-2)	<u>\$ 532,112</u>

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

BYRAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Business-type Activities - Enterprise Funds Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 31,434
Intergovernmental Accounts Receivable:	
Federal	2,877
State	147
Interfund Accounts Receivable:	
General Fund	4,972
Inventories	7,333
	46,763
Total Current Assets	
Non-Current Assets:	
Capital Assets	324,522
Less: Accumulated Depreciation	(305,045)
	19,477
Total Non-Current Assets	
	66,240
Total Assets	
LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	13,740
Unearned Revenue - Prepaid Sales	5,454
Unearned Revenue	3,109
	22,303
Total Current Liabilities	
NET POSITION:	
Investment in Capital Assets	19,477
Unrestricted	24,460
	43,937
Total Net Position	\$ 43,937

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

BYRAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 95,428
Daily Sales - Non-Reimbursable Programs	67,075
Special Events	2,740
	165,243
Total Operating Revenue	165,243
Operating Expenses:	
Cost of Sales - Reimbursable Programs	73,500
Cost of Sales - Non-Reimbursable Programs	30,021
Salaries, Benefits and Payroll Taxes	83,924
Supplies and Other Costs	31,792
Management Fee	10,150
Depreciation Expense	19,057
	248,444
Total Operating Expenses	248,444
Operating Loss	(83,201)
Non-Operating Income:	
Local Sources:	
Interest Income	4
State Sources:	
State School Lunch Program	1,796
Federal Sources:	
National School Lunch Program	35,718
Food Distribution Program	17,793
	55,311
Total Non-Operating Income	55,311
Change in Net Position	(27,890)
Adjustment to Capital Assets	2,441
Net Position - Beginning of Year	69,386
Net Position - End of Year	\$ 43,937

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

BYRAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 162,503
Other Receipts	2,740
Payments to Employees	(83,924)
Payments to Food Service Vendor	(89,846)
Payments to Suppliers	(31,792)
Net Cash Used for Operating Activities	<u>(40,319)</u>
Cash Flows from Noncapital Financing Activities:	
Local Sources:	
Interest Income	4
State Sources:	
State School Lunch Program	1,523
Federal Sources:	
National School Lunch Program	29,915
Net Cash Provided by Noncapital Financing Activities	<u>31,442</u>
Net Decrease in Cash and Cash Equivalents	(8,877)
Cash and Cash Equivalents, July 1	<u>40,311</u>
Cash and Cash Equivalents, June 30	<u>\$ 31,434</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:	
Operating Loss	\$ (83,201)
Adjustment to Reconcile Operating Loss to Cash Provided by (Used for) Operating Activities:	
Depreciation	19,057
Food Distribution Program	17,793
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventories	(391)
Increase/(Decrease) in Unearned Revenue	5,361
Increase/(Decrease) in Accounts Payable	1,062
Net Cash Provided by (Used for) Operating Activities	<u>\$ (40,319)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received commodities valued at \$17,700 and utilized commodities valued at \$17,793 from the Federal Food Distribution Program for the fiscal year ended June 30, 2017.

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

BYRAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2017

	Agency	Unemployment Compensation Trust Fund
ASSETS:		
Cash and Cash Equivalents	\$ 222,106	\$ 66,509
Total Assets	222,106	66,509
LIABILITIES:		
Due to Student Groups	63,238	
Payroll Deductions and Withholdings	31,710	
Accrued Salaries and Wages	122,850	
Interfund Payable - General Fund	4,308	
Total Liabilities	222,106	
NET POSITION:		
Held in Trust for Unemployment		66,509
Total Net Position	\$ - 0 -	\$ 66,509

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

BYRAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Unemployment Compensation Trust Fund</u>
Additions:	
Contributions:	
Plan Contributions	\$ 15,199
Board Contributions	<u>20,000</u>
Total Contributions	<u>35,199</u>
Investment Earnings:	
Interest	<u>6</u>
Net Investment Earnings	<u>6</u>
Total Additions	<u>35,205</u>
Deductions:	
Unemployment Claims	<u>40,742</u>
Total Deductions	<u>40,742</u>
Change in Net Position	(5,537)
Net Position - Beginning of the Year	<u>72,046</u>
Net Position - End of the Year	<u><u>\$ 66,509</u></u>

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, 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 District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities and Payroll Agency Funds and the Flexible Spending Trust Fund.

C. Measurement Focus and Basis of Accounting

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

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

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

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. The budget for the fiscal year ended June 30, 2017 was submitted to the County office and approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by school board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 16,978,960	\$ 258,501
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Basis	372,318	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(373,176)	
Total Revenues as Reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds.	\$ 16,978,102	\$ 258,501

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 16,613,963	\$ 258,501
Total Expenditures as Reported on the Statement of Revenue, Expenditures, & Changes in Fund Balances - Governmental Funds	\$ 16,613,963	\$ 258,501
	Capital Projects Fund	
	Revenue	Fund Balance
Revenue/Comitted Fund Balance per Governmental Fund - Budgetary Basis	\$ (39,618)	\$ 72,951
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Receivable Not Recognized on GAAP Basis		(46,459)
Revenue/Fund Balance per Governmental Funds (GAAP)	\$ (39,618)	\$ 26,492

E. Cash and Cash Equivalents:

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

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

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

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

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

F. Interfund Transactions:

Transfers between Governmental and Business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between Governmental and Business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

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

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

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

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as shown below:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 years
Site Improvements	20 years
Machinery and Equipment	5 to 15 years

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

L. Long Term Liabilities:

In the government-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages:

The District allows employees who provide services to the District over a ten-month academic year the option to have their salaries evenly disbursed during the entire twelve month year; therefore, there were \$122,850 of accrued salaries and wages as of June 30, 2017.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's employee contracts/agreements. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee contracts/agreements.

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$3,178,281 General Fund balance at June 30, 2017, \$2,887,756 is restricted in the capital reserve account and \$100,000 in the maintenance reserve account; \$176,686 is assigned for year-end encumbrances. Additionally, there is \$13,839 of unassigned fund balance (which is \$373,176 less than the calculated maximum unassigned fund balance, on a Budgetary basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2017).

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2017 is \$368, which is restricted for debt service.

Capital Projects Fund: The Capital Projects Fund balance at June 30, 2017 of \$26,492 is committed for SDA approved projects, which is \$46,459 less on the GAAP basis due to the SDA Grant receivable, which is not recognized until grant funds are expended and submitted for reimbursement.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Restricted 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 restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has no excess surplus as June 30, 2017.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$373,176 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the related state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit Net Position:

The District has a deficit in unrestricted net position of \$3,399,613 in governmental activities, which is a result of \$14,097 of accrued interest payable, \$201,412 of compensated absences payable, changes in proportion in pensions of \$165,921; early retirement incentive program payable of \$94,020 and the net pension liability of \$4,341,527; net of the \$899,332 change in assumption for pensions, \$80,739 difference between expected and actual experience in pensions, net difference between projected and actual investment earnings for pensions of \$165,546, changes in proportion in pensions of \$54,730, \$26,492 in committed fund balance for capital projects, \$13,839 of general fund unassigned fund balance, and \$176,686 assigned for encumbrances. This deficit does not indicate that the District is facing financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2017 for the change in assumption for pensions, difference between expected and actual experience in pensions, net difference between projected and actual investment earnings, changes in proportion in pensions, and the District contribution subsequent to the measurement date related to pensions. The District had deferred inflows of resources at June 30, 2017 for the changes in proportion in pension.

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

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

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

R. Net Position: (Cont'd)

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for capital and maintenance reserves, and the Debt Service Fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2017 of \$26,492.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources of \$176,686 for year-end encumbrances in the General Fund at June 30, 2017.

T. Revenue - Exchange and Nonexchange Transactions:

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

T. Revenue - Exchange and Nonexchange Transactions (Cont'd):

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

V. Management Estimates:

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

W. Pensions

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

Investments (Cont'd):

- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2017, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents Capital & Maintenance Reserve Account	Total
Checking Accounts	\$ 577,111	\$ 2,987,756	\$ 3,564,867

The carrying amount of the Board's cash and cash equivalents at June 30, 2017, was \$3,564,867 and the bank balance was \$4,213,661. During the fiscal year ended June 30, 2017, the District did not hold any investments.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution on 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.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, 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 (June 1 to June 30) 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. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016		\$ 2,321,757
Deposit by Board Resolution - June 28, 2017	\$ 565,999	
Unexpended Balance from Capital Outlay	<u>474,735</u>	
		<u>1,040,734</u>
Budget Withdrawal	<u>(474,735)</u>	
		<u>(474,735)</u>
Ending Balance, June 30, 2017		<u><u>\$ 2,887,756</u></u>

The balance in the capital reserve account at June 30, 2017 does not exceed the balance of local support costs of uncompleted capital projects in the District's Long-Range Facilities Plan ("LRFP"). The withdrawal from the capital reserve was for use in a DOE approved facilities project consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$100,000 was established by the Byram Township School District during the fiscal year ended June 30, 2017. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

.BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Deposit by Board Resolution - June 28, 2017	\$ 100,000
Ending Balance, June 30, 2017	\$ 100,000

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2017 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 2,136,587			\$ 2,136,587
Construction in Progress	82,250		\$ (24,750)	57,500
Total Capital Assets Not Being Depreciated	2,218,837		(24,750)	2,194,087
Capital Assets Being Depreciated:				
Site Improvements		\$ 429,480	1,180,472	1,609,952
Buildings and Building Improvements	21,047,597	12,000	(1,147,487)	19,912,110
Machinery and Equipment	3,191,221	135,793	(114,200)	3,212,814
Total Capital Assets Being Depreciated	24,238,818	577,273	(81,215)	24,734,876
Governmental Activities Capital Assets	26,457,655	577,273	(105,965)	26,928,963
Less Accumulated Depreciation for:				
Site Improvements		(72,834)	(574,548)	(647,382)
Buildings and Building Improvements	(9,374,610)	(477,099)	573,929	(9,277,780)
Machinery and Equipment	(2,300,691)	(258,732)	98,230	(2,461,193)
	(11,675,301)	(808,665)	97,611	(12,386,355)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$14,782,354	\$ (231,392)	\$ (8,354)	\$14,542,608
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 284,633		\$ 39,889	\$ 324,522
Less Accumulated Depreciation	(248,540)	(19,057)	(37,448)	(305,045)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 36,093	\$ (19,057)	\$ 2,441	\$ 19,477

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Unallocated \$ 808,665

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported in the District-wide financial statements:

	Beginning Balance	Accrued	Retired	Ending Balance
Serial Bonds Payable	\$ 3,540,000		\$ 680,000	\$ 2,860,000
Compensated Absences Payable	234,881	\$ 8,424	41,893	201,412
Capital Leases Payable	2,795		2,795	
Early Retirement Incentive Program Payable	113,224		19,204	94,020
Net Pension Liability	3,306,525	1,035,002		4,341,527
Total Long Term Liabilities	\$ 7,197,425	\$ 1,043,426	\$ 743,892	\$ 7,496,959

A. Bonds Payable:

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

The District had bonds outstanding as of June 30, 2017 as follows:

<u>Serial Bonds</u>			
Purpose	Final Maturity Date	Interest Rate	Amount
Refunding Bonds	03/15/21	1.69%	\$ 2,860,000
			\$ 2,860,000

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

Fiscal Year Ending June 30,	Bonds		Total
	Principal	Interest	
2018	\$ 695,000	\$ 48,334	\$ 743,334
2019	705,000	36,589	741,589
2020	720,000	24,674	744,674
2021	740,000	12,506	752,506
	\$ 2,860,000	\$ 122,103	\$ 2,982,103

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

B. Bonds Authorized But Not Issued:

As of June 30, 2017, the Board had no bonds authorized but not issued.

C. Capital Leases Payable:

The District had entered into capital leases for copiers and during the year it liquidated the remaining balance of \$2,795 through the General Fund. As of June 30, 2017, the Board had no capital leases payable.

D. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$11,050 and the long-term portion of compensated absences is \$190,362.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, no liability existed for compensated absences in the Food Service Fund.

The General Fund will be used to liquidate Compensated Absences Payable.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2017 is \$-0- and the long-term portion is \$4,341,527. See Note 8 for further information on the PERS.

F. Early Retirement Incentive Program:

The District's obligation for principal and interest payments under the Early Retirement Incentive Program (ERIP) as of June 30, 2017 is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 20,788	\$ 7,756	\$ 28,544
2019	22,503	6,041	28,544
2020	24,360	4,184	28,544
2021	26,369	2,175	28,544
	<u>\$ 94,020</u>	<u>\$ 20,156</u>	<u>\$ 114,176</u>

NOTE 8. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2017, the District transferred \$115,158 to the Capital Outlay accounts for equipment which did not require County Superintendent approval. The District also transferred \$121,051 to facilities acquisition and construction services accounts with County Superintendent approval.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS

Substantially all of the Board’s employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers’ Pension and Annuity Fund (TPAF) or the Public Employee’s Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees’ Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees’ Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$140,156 for 2016.

The employee contribution rate was 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities and Pension Expense

At June 30, 2017, the District's liability was \$4,341,527 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the District's proportion was 0.0146%, which was a decrease of 0.0001% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized actual pension expense in the amount of \$386,380. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 54,573	
	2015	5.72	223,001	
	2016	5.57	621,758	
			<u>899,332</u>	
Difference Between Expected and Actual Experience	2015	5.72	61,870	
	2016	5.57	18,869	
			<u>80,739</u>	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00	(81,780)	
	2015	5.00	52,322	
	2016	5.00	195,004	
			<u>165,546</u>	
Changes in Proportion	2014	6.44	54,730	
	2015	5.72		\$ (154,369)
	2016	5.57		(11,552)
			<u>54,730</u>	<u>(165,921)</u>
District Contribution Subsequent to the Measurement Date	2016	1.00	146,000	
			<u>\$ 1,346,347</u>	<u>\$ (165,921)</u>

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

Fiscal Year Ending June 30,	Total
2017	\$ 257,924
2018	257,926
2019	298,815
2020	251,049
2021	79,903
	<u>\$ 1,145,617</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2016 are summarized in the following table:

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex. U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2016 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

	June 30, 2016		
	At 1% Decrease (2.98%)	At Current Discount Rate (3.98%)	At 1% Increase (4.98%)
	District's proportionate share of the Net Pension Liability	\$ 5,320,034	\$ 4,341,527

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarially determined amount.

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, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2017, the State of New Jersey contributed \$689,920 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$3,801,848.

The employee contribution rate was 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

At June 30, 2017, the State's proportionate share of the net pension liability associated with the District was \$50,599,493. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the District's proportion was 0.064%, which was a decrease of 0.0004% from its proportion measured as of June 30, 2015.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		50,599,493
Total	\$	50,599,493

For the fiscal year ended June 30, 2016, the State recognized pension expense on behalf of the District in the amount of \$3,801,848 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2017 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,691,524,165	
	2015	8.3	4,488,602,746	
	2016	8.3	9,522,623,964	
			15,702,750,875	
Difference Between Expected and Actual Experience	2014	8.5		\$ 16,110,615
	2015	8.3	277,221,464	
	2016	8.3	277,221,464	118,421,979
			277,221,464	134,532,594
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5	(870,618,286)	
	2015	5	577,926,182	
	2016	5	1,727,420,767	
			1,434,728,663	
		\$ 17,414,701,002	\$ 134,532,594	

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2017	\$ 2,538,535,636
2018	2,538,535,636
2019	2,973,844,781
2020	2,781,202,718
2021	2,349,347,527
Thereafter	4,098,702,110
	\$ 17,280,168,408

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 years average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) 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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 upon the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2016 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2016		
	At 1% Decrease (2.22%)	At Current Discount Rate (3.22%)	At 1% Increase (4.22%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 60,427,102	\$ 50,599,493	\$ 42,573,982

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$7,061 for the fiscal year ended June 30, 2017. Employee contributions to DCRP amounted to \$12,945 for the year ended June 30, 2017.

NOTE 10. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 of Public Laws 1990 required the TPAF and 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 plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.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 c. 126, which provides employer paid 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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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 Pension 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/financial2015combined.pdf>.

The State's on-behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$595,689, \$612,203 and \$555,098 for 2017, 2016, and 2015, respectively.

NOTE 11. 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 maintains commercial insurance coverage for surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains its health benefit coverage through the AETNA.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

The Byram Township School District is a member of the School Alliance Insurance Fund (the "Fund"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Fund is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to 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 Fund are elected.

As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and 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.

The June 30, 2017 audit was not available as of the date of this report; however, selected, summarized financial information for the Fund as of June 30, 2016 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	<u>\$ 38,579,014</u>
Net Position	<u>\$ 9,463,015</u>
Total Revenue	<u>\$ 41,445,355</u>
Total Expenses	<u>\$ 39,153,730</u>
Change in Net Position	<u>\$ 2,291,625</u>
Member Dividends	<u>\$ -0-</u>

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

Public Entity Group Administrative Services
51 Everett Drive
Suite B-40
West Windsor, NJ 08550

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.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

The following is a summary of District contributions, employee contributions, interest earned and 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.

<u>Fiscal Year</u>	<u>Interest</u>	<u>Employee / District Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ 6	\$ 35,199	\$ 40,742	\$ 66,509
2015-2016	4	60,432	43,416	72,046
2014-2015	5	13,984	19,817	55,026

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. 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) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

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

NOTE 14. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

The District estimates that the potential claims against it resulting from any litigation not covered by insurance would not materially affect the financial statements of the District.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 14. CONTINGENT LIABILITIES (Cont'd)

Encumbrances

At June 30, 2017, there were encumbrances as detailed below in the governmental funds:

General Fund	Total Governmental Funds
\$ 176,686	\$ 176,686

Arbitrage - Outstanding Bonds

The District is not subject to a liability for arbitrage payable to the federal government relative to its outstanding bond issues as the District is considered a small issuer with debt under \$15,000,000.

NOTE 15. TAX CALENDAR

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

Taxes are collected by the constituent municipality and are remitted to the local School District on a predetermined mutually agreed-upon schedule.

NOTE 16. INTERFUND RECEIVABLE AND PAYABLE

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 16,644	\$ 4,972
Special Revenue Fund		12,336
Food Service Fund	4,972	
Fiduciary Funds		4,308
	\$ 21,616	\$ 21,616

The interfund receivable in the General Fund from the Special Revenue Fund is for a deficit in cash due to the time lag between request and reimbursement of grant funds. The interfund between General Fund and Food Service Fund represents child nutrition reimbursements collected in the General Fund and not turned over to the Food Service Fund at the end of the year. The interfund payable to General Fund from the Payroll Fund represents the ending balances in the Net Payroll account and unallocated balances from the Payroll Agency account.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 17. ACCOUNT PAYABLE

Accounts payable recorded in the District's Governmental and Business-Type Activities as of June 30, 2017 consisted of the following:

	<u>Governmental Funds</u>			<u>Total Governmental Funds</u>	<u>Contribution Subsequent to the Measurement Date</u>	<u>Total Governmental Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>			
Vendors	\$ 103,602	\$ 440	\$ 57,500	\$ 161,542		\$ 161,542
State of New Jersey					\$ 146,000	146,000
	<u>\$ 103,602</u>	<u>\$ 440</u>	<u>\$ 57,500</u>	<u>\$ 161,542</u>	<u>\$ 146,000</u>	<u>\$ 307,542</u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

BYRAM TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
District's proportion of the net pension liability	0.0159627975%	0.0147297098%	0.0146588355%
District's proportionate share of the net pension liability	\$ 2,988,672	\$ 3,306,525	\$ 4,341,527
District's covered employee payroll	\$ 1,011,793	\$ 1,016,488	960,770
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	295.38%	325.29%	451.88%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%

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

BYRAM TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually required contribution	\$ 131,595	\$ 126,636	\$ 140,156
Contributions in relation to the contractually required contribution	(131,595)	(126,636)	(140,156)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 1,047,167	\$ 1,011,793	\$ 1,016,488
Contributions as a percentage of covered employee payroll	12.57%	12.52%	13.79%

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

BYRAM TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
State's proportion of the net pension liability attributable to the District	0.0624075042%	0.0646772711%	0.0643216343%
State's proportionate share of the net pension liability attributable to the District	\$ 33,554,780	\$ 40,878,797	\$ 50,599,493
District's covered employee payroll	\$ 6,371,844	\$ 6,295,209	\$ 6,674,117
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	526.61%	649.36%	758.15%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.23%

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

BYRAM TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S CONTRIBUTIONS - ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually required contribution	\$ 1,794,800	\$ 2,496,019	\$ 3,801,848
Contributions in relation to the contractually required contribution	<u>(326,200)</u>	<u>(490,548)</u>	<u>(689,920)</u>
Contribution deficiency/(excess)	<u>\$ 1,468,600</u>	<u>\$ 2,005,471</u>	<u>\$ 3,111,928</u>
District's covered employee payroll	\$ 6,371,844	\$ 6,295,209	\$ 6,674,117
Contributions as a percentage of covered employee payroll	28.17%	7.79%	10.34%

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.90% as of June 30, 2015 to 3.98% as of June 30, 2016. The municipal bond rate changed from 3.80% to 2.85%. The long-term expected rate of return on pension plan investments changed from 7.90% to 7.65%.

The inflation rate changed from 3.04% as of June 30, 2015 to 3.08% as of June 30, 2016. The salary increases changed from 2.15% - 4.40% for 2012 – 2021 to 1.65%-4.15% through 2026 and from 3.15%-5.40% thereafter to 2.65%-5.15% thereafter.

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

The mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.13% as of June 30, 2015 to 3.22% as of June 30, 2016. The municipal bond rate changed from 3.80% to 2.85%. The long-term expected rate of return on pension plan investments changed from 7.90% to 7.65%.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED
(Continued)

B. TEACHERS PENSION AND ANNUITY FUND (Cont'd)

Changes of Assumptions (Cont'd)

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables 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 mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 years average of Social Security data from 1953 to 2013.

BUDGETARY COMPARISON SCHEDULES

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 11,067,244		\$ 11,067,244	\$ 11,067,244	\$ 61,387
Tuition - Other LEA's Within the State				22,125	2,125
Tuition From Individuals	20,000		20,000	8,903	8,903
Rents and Royalties				7,500	7,500
Private Contributions				99,016	82,016
Unrestricted Miscellaneous Revenues	17,000		17,000		
Total - Local Sources	11,104,244		11,104,244	11,266,175	161,931
State Sources:					
School Choice Aid	326,469		326,469	326,469	
Categorical Transportation Aid	325,211		325,211	325,211	
Categorical Special Education Aid	542,873		542,873	542,873	
Equalization Aid	2,512,278		2,512,278	2,512,278	
Categorical Security Aid	70,573		70,573	70,573	
PARCC Readiness Aid	8,395		8,395	8,395	
Per Pupil Growth Aid	8,395		8,395	8,395	
Professional Learning Community Aid	8,530		8,530	8,530	
Extraordinary Aid				90,071	90,071
Nonpublic Transportation Aid				1,044	1,044
TPAF Pension Contribution (On-Behalf - Non-Budgeted)				689,920	689,920
TPAF Pension NCGI Premium (On-Behalf - Non-Budgeted)				24,997	24,997
TPAF Pension LTDI Premium (On-Behalf - Non-Budgeted)				2,334	2,334
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				595,689	595,689
TPAF Social Security (Reimbursed - Non-Budgeted)				506,006	506,006
Total State Sources	3,802,724		3,802,724	5,712,785	1,910,061
TOTAL REVENUE	14,906,968		14,906,968	16,978,960	2,071,992

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 258,070	\$ 10,725	\$ 268,795	\$ 268,678	\$ 117
Grades 1-5 - Salaries of Teachers	2,164,482	(150,028)	2,014,454	1,988,849	25,605
Grades 6-8 - Salaries of Teachers	1,654,100	40,060	1,694,160	1,690,372	3,788
Regular Programs - Home Instruction:					
Salaries of Teachers	6,500		6,500	700	5,800
Purchased Professional-Educational Services	2,500		2,500	1,265	1,235
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	51,982	(15,082)	36,900	31,466	5,434
Purchased Professional-Educational Services	1,500		1,500	200	1,300
Other Purchased Services (400-500 series)	500	1,960	2,460	2,443	17
General Supplies	287,254	51,039	338,293	263,361	74,932
Textbooks	73,100	49,690	122,790	114,744	8,046
Other Objects	900		900	123	777
Total Regular Programs - Instruction	4,500,888	(11,636)	4,489,252	4,362,201	127,051
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	120,390	(450)	119,940	119,939	1
Other Salaries for Instruction		22,863	22,863	15,096	7,767
General Supplies	2,000	(1,000)	1,000	195	805
Total Learning and/or Language Disabilities	122,390	21,413	143,803	135,230	8,573
Resource Room/Resource Center:					
Salaries of Teachers	1,232,308	7,441	1,239,749	1,239,547	202
Other Salaries for Instruction	82,440	51,200	133,640	113,570	20,070
General Supplies	4,400		4,400	2,334	2,066
Total Resource Room/Resource Center	1,319,148	58,641	1,377,789	1,355,451	22,338

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Preschool Disabilities - Part Time:					
Salaries of Teachers	\$ 65,172	\$ 12,866	\$ 78,038	\$ 77,908	\$ 130
Other Salaries for Instruction	34,325	12,354	46,679	45,520	1,159
General Supplies	1,000	667	1,667	1,667	
Total Preschool Disabilities - Part Time	100,497	25,887	126,384	125,095	1,289
Home Instruction - Special Education					
Salaries of Teachers	15,000	(12,500)	2,500	2,117	383
Purchased Professional-Education Services	2,500	2,500	5,000	3,495	1,505
Other Purchased Services	200		200	200	
Total Home Instruction - Special Education	17,700	(10,000)	7,700	5,612	2,088
Total Special Education - Instruction	1,559,735	95,941	1,655,676	1,621,388	34,288
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	219,186	35,059	254,245	253,595	650
General Supplies	2,459	(609)	1,850	182	1,668
Total Basic Skills/Remedial - Instruction	221,645	34,450	256,095	253,777	2,318
School-Sponsored Cocurricular Activities - Instruction:					
Salaries of Teachers	36,352	10,023	46,375	44,045	2,330
Supplies & Materials	1,000		1,000	620	380
Total School-Sponsored Cocurricular Activities - Instruction	37,352	10,023	47,375	44,665	2,710

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
School-Sponsored Cocurricular Activities - Athletics - Instruction:					
Salaries	\$ 25,892	\$ (330)	\$ 25,562	\$ 22,978	\$ 2,584
Purchased Services (300-500 series)	3,000		3,000	2,555	445
Supplies and Materials	1,000		1,000	594	406
Total School-Sponsored Cocurricular Activities - Athletics - Instruction	29,892	(330)	29,562	26,127	3,435
Total Instruction	6,349,512	128,448	6,477,960	6,308,158	169,802
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	287,500	(5,000)	282,500	260,913	21,587
Tuition to Private School for the Disabled - Within the State	179,000	(105,000)	74,000	65,989	8,011
Total Undistributed Expenditures - Instruction	466,500	(110,000)	356,500	326,902	29,598
Attendance & Social Work:					
Salaries	16,030		16,030	15,856	174
Purchased Professional-Technical Services	15,350	1,142	16,492	16,492	
Total Attendance & Social Work	31,380	1,142	32,522	32,348	174
Health Services:					
Salaries	130,274		130,274	129,826	448
Purchased Professional and Technical Services	4,500	500	5,000	4,815	185
Other Purchased Services (400-500 series)	500	(500)			
Supplies and Materials	6,000	1,739	7,739	6,615	1,124
Total Health Services	141,274	1,739	143,013	141,256	1,757

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Other Support Services - Speech, OT, PT and Related Services:					
Salaries	\$ 358,210	\$ (20,635)	\$ 337,575	\$ 334,166	\$ 3,409
Purchased Professional - Educational Services	223,000	50,635	273,635	273,631	4
Supplies and Materials	4,000		4,000	1,879	2,121
Total Other Support Services - Speech, OT, PT and Related Services	585,210	30,000	615,210	609,676	5,534
Other Support Services - Extra Services:					
Salaries	191,693	(26,482)	165,211	152,238	12,973
Purchased Professional - Educational Services	10,000		10,000	2,875	7,125
Supplies and Materials	2,500		2,500	1,776	724
Total Other Support Services - Extra Services	204,193	(26,482)	177,711	156,889	20,822
Other Support Services - Guidance:					
Salaries of Other Professional Staff	118,444	60	118,504	118,504	
Purchased Professional - Educational Services	7,000	(150)	6,850	5,513	1,337
Supplies and Materials	2,000	250	2,250	2,199	51
Total Other Support Services - Guidance	127,444	160	127,604	126,216	1,388
Other Support Services - Child Study Teams:					
Salaries of Other Professional Staff	330,063	2,500	332,563	331,436	1,127
Salaries of Secretarial and Clerical Assistants	58,650		58,650	58,547	103
Purchased Professional - Educational Services	22,000	(1,500)	20,500	9,862	10,638
Other Purchased Services (400-500 series)	1,000		1,000	386	614
Miscellaneous Purchased Services (400-500 series)	5,000	(1,000)	4,000	956	3,044
Supplies and Materials	8,000		8,000	6,705	1,295
Other Objects	500		500	300	200
Total Other Support Services - Child Study Teams	425,213		425,213	408,192	17,021

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Improvement of Instructional Services:					
Salaries of Other Professional Staff	\$ 94,570	\$ (7,953)	\$ 86,617	\$ 85,018	\$ 1,599
Other Purchased Professional and Technical Services	36,000		36,000	34,850	1,150
Supplies and Materials	10,000	650	10,650	8,590	2,060
Total Improvement of Instructional Services	140,570	(7,303)	133,267	128,458	4,809
Educational Media Services:					
Salaries of Technology Coordinators	137,460		137,460	136,799	661
Supplies and Materials	27,500	(350)	27,150	22,892	4,258
Total Educational Media Services	164,960	(350)	164,610	159,691	4,919
Instructional Staff Training Services:					
Purchased Professional - Educational Services	37,000	(12)	36,988	29,240	7,748
Other Purchased Professional and Technical Services	6,000		6,000	6,000	6,000
Other Purchased Services (400-500 series)	26,500		26,500	11,134	15,366
Supplies and Materials	2,000	12	2,012	2,012	
Total Instructional Staff Training Services	71,500		71,500	42,386	29,114
General Administration:					
Salaries	215,278	10,001	225,279	222,404	2,875
Legal Services	45,000	(10,000)	35,000	15,655	19,345
Audit Fees	20,000		20,000	19,250	750
Other Purchased Professional Services	15,000	12,500	27,500	24,925	2,575
Purchased Technical Services		2,500	2,500	2,500	
Communications/Telephone	26,000		26,000	19,026	6,974

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
General Administration:					
BOE Other Purchased Services	\$ 5,500		\$ 5,500	4,208	\$ 1,292
Other Purchased Services (400-500 series)	37,500		37,500	27,233	10,267
General Supplies	5,000	\$ 609	5,609	4,119	1,490
BOE In-House Training and Meeting Supplies	1,000		1,000		1,000
Judgements Against the School District		5,000	5,000	5,000	
Miscellaneous Expenditures	8,600		8,600	8,180	420
BOE Membership Dues and Fees	8,000		8,000	7,489	511
Total General Administration	386,878	20,610	407,488	359,989	47,499
School Administration:					
Salaries of Principals/Assistant Principals	222,330	(60)	222,270	220,528	1,742
Salaries of Secretarial and Clerical Assistants	128,890		128,890	123,145	5,745
Other Salaries	81,370		81,370	81,337	33
Other Purchased Services (400-500 series)	21,555	(767)	20,788	12,100	8,688
Supplies and Materials	12,000	1,250	13,250	9,453	3,797
Other Objects	6,725	517	7,242	6,008	1,234
Total School Administration	472,870	940	473,810	452,571	21,239
Central Services:					
Salaries	221,480	12,224	233,704	229,201	4,503
Unused Vacation Payment to Terminated/Retired Staff	2,500	(2,500)			
Purchased Professional Services	27,400	(413)	26,987	24,555	2,432
Purchased Technical Services	5,200	690	5,890	5,890	
Miscellaneous Purchased Services (400-500 series)	4,850		4,850	3,273	1,577
Supplies and Materials	4,000		4,000	2,991	1,009
Other Objects	2,000		2,000	1,714	286
Total Central Services	267,430	10,001	277,431	267,624	9,807

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Administrative Information Technology:					
Purchased Technical Services	\$ 47,000	\$ (542)	\$ 46,458	\$ 46,427	\$ 31
Other Purchased Services (400-500 series)	20,100	(250)	19,850	11,267	8,583
Supplies and Materials	46,000		46,000	15,879	30,121
Total Administrative Information Technology	113,100	(792)	112,308	73,573	38,735
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	117,766	23,450	141,216	135,581	5,635
General Supplies	30,000		30,000	15,097	14,903
Total Required Maintenance for School Facilities	147,766	23,450	171,216	150,678	20,538
Custodial Services:					
Salaries	525,938	(10,000)	515,938	493,781	22,157
Purchased Professional and Technical Services	13,000	(500)	12,500	11,088	1,412
Cleaning, Repair, and Maintenance Services	47,739	15,500	63,239	62,616	623
Other Purchased Property Services	60,000	(10,000)	50,000	46,160	3,840
Insurance	70,000		70,000	64,607	5,393
Miscellaneous Purchased Services	17,000		17,000	10,234	6,766
General Supplies	69,705	16,000	85,705	83,068	2,637
Energy (Electricity)	185,000	(970)	184,030	174,144	9,886
Energy (Oil)	180,000	(45,950)	134,050	84,465	49,585
Other Objects	200		200	125	75
Total Custodial Services	1,168,582	(35,920)	1,132,662	1,030,288	102,374

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School)	\$ 45,400	\$ (1)	\$ 45,399	\$ 44,921	\$ 478
Cleaning, Repair and Maintenance Services	20,000	10,200	30,200	30,178	22
Contracted Services (Aid in Lieu of Payments) - Nonpublic Students	30,940	(13,845)	17,095	13,422	3,673
Contracted Services (Between Home and School)- Vendors	323,908		323,908	308,092	15,816
Contracted Services (Other Than Between Home and School)- Vendors	10,000		10,000	3,103	6,897
Contracted Services (Regular Students) - ESC's & CTSA's	38,220		38,220	24,276	13,944
Contracted Services (Special Education Students) - ESC's & CTSA's	153,070		153,070	149,854	3,216
Miscellaneous Purchased Services - Transportation	9,900	8,845	18,745	12,796	5,949
Transportation Supplies	10,000	(5,200)	4,800	778	4,022
Other Objects	500		500	50	450
Total Student Transportation Services	641,938	(1)	641,937	587,470	54,467
Unallocated Benefits:					
Social Security Contributions	165,000		165,000	150,806	14,194
T.P.A.F. Contributions - ERIP	29,000		29,000	28,058	942
Other Retirement Contributions - PERS	170,000	(25,000)	145,000	140,156	4,844
Unemployment Compensation	20,000		20,000	20,000	
Workers Compensation	120,000	2,470	122,470	122,470	
Health Benefits	1,973,060		1,973,060	1,897,232	75,828
Tuition Reimbursement	20,000		20,000	14,715	5,285
Other Employee Benefits	319,010		319,010	292,565	26,445
Unused Sick Payment to Terminated/Retired Staff	17,000		17,000	11,050	5,950
Total Unallocated Benefits	2,833,070	(22,530)	2,810,540	2,677,052	133,488

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
On-Behalf Contributions:					
TPAF Pension Contribution (On-Behalf - Non-Budgeted)				\$ 689,920	\$ (689,920)
TPAF Pension NCGI Premium (On-Behalf - Non-Budgeted)	\$ 2,833,070	\$ (22,530)	\$ 2,810,540	24,997	(24,997)
TPAF Pension LTDI Premium (On-Behalf - Non-Budgeted)				2,334	(2,334)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				595,689	(595,689)
TPAF Social Security (Reimbursed - Non-Budgeted)				506,006	(506,006)
Total On-Behalf Contributions				1,818,946	(1,818,946)
Total Personal Services - Employee Benefits				4,495,998	(1,685,458)
Total Undistributed Expenditures	8,389,878	(115,336)	8,274,542	9,550,205	(1,275,663)
TOTAL CURRENT EXPENSE	14,739,390	13,112	14,752,502	15,858,363	(1,105,861)
CAPITAL OUTLAY:					
Equipment:					
Instruction	16,515	42,255	58,770	58,770	
Support Services - Students - Regular		2,777	2,777	2,777	
School Administration		7,616	7,616	5,301	2,315
Required Maintenance For School Facilities	2,524	62,510	65,034	65,034	
Total Equipment	19,039	115,158	134,197	131,882	2,315
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services		15,500	15,500	15,500	
Construction Services	890,900	105,551	996,451	429,891	566,560
Assessment for Debt Service on SDA Funding	61,496		61,496	61,496	
Total Facilities Acquisition and Construction Services	952,396	121,051	1,073,447	506,887	566,560
TOTAL CAPITAL OUTLAY	971,435	236,209	1,207,644	638,769	568,875

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Transfer of Funds to Charter Schools	\$ 136,130	\$ (13,000)	\$ 123,130	\$ 116,831	\$ 6,299
TOTAL EXPENDITURES	<u>15,846,955</u>	<u>236,321</u>	<u>16,083,276</u>	<u>16,613,963</u>	<u>(530,687)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(939,987)</u>	<u>(236,321)</u>	<u>(1,176,308)</u>	<u>364,997</u>	<u>1,541,305</u>
Fund Balance, July 1	<u>3,186,460</u>		<u>3,186,460</u>	<u>3,186,460</u>	
Fund Balance, June 30	<u>\$ 2,246,473</u>	<u>\$ (236,321)</u>	<u>\$ 2,010,152</u>	<u>\$ 3,551,457</u>	<u>\$ 1,541,305</u>

Recapitulation:

Restricted Fund Balances:
Capital Reserve \$ 2,887,756
Maintenance Reserve 100,000
Assigned Fund Balance 176,686
Year End Encumbrances 387,015
Unassigned Fund Balance 3,551,457

Reconciliation to Governmental Funds Statements (GAAP):
Last State Aid Payment not Recognized on GAAP Basis (373,176)

Fund Balance per Governmental Funds (GAAP) \$ 3,178,281

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 215,000	\$ 53,499	\$ 268,499	\$ 258,501	\$ (9,998)
Total Revenues	215,000	53,499	268,499	258,501	(9,998)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	41,000	(3,822)	37,178	32,062	5,116
Tuition	163,000	27,846	190,846	190,846	
General Supplies		1,135	1,135		1,135
Total Instruction	<u>204,000</u>	<u>25,159</u>	<u>229,159</u>	<u>222,908</u>	<u>6,251</u>
Support Services:					
Purchased Professional and Technical Services		34,748	34,748	31,686	3,062
Other Purchased Services	11,000	(7,733)	3,267	2,610	657
Supplies and Materials		1,325	1,325	1,297	28
Total Support Services	<u>11,000</u>	<u>28,340</u>	<u>39,340</u>	<u>35,593</u>	<u>3,747</u>
Total Expenditures	\$ 215,000	\$ 53,499	\$ 268,499	\$ 258,501	\$ 9,998

BYRAM TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 16,978,960	\$ 258,501
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	372,318	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(373,176)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 16,978,102</u>	<u>\$ 258,501</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 16,613,963	\$ 258,501
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 16,613,963</u>	<u>\$ 258,501</u>

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. The budget for the fiscal year ended June 30, 2017 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)l. Transfers of appropriations may be made by school board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

BYRAM TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	No Child Left Behind		IDEA Part B			Totals
	Title I	Title II Part A	Basic	Preschool	Totals	
REVENUE:						
Federal Sources	\$ 54,425	\$ 13,230	\$ 180,490	\$ 10,356	\$ 258,501	
Total Revenue	54,425	13,230	180,490	10,356	258,501	
EXPENDITURES:						
Instruction:						
Salaries of Teachers	32,062				32,062	
Tuition			180,490	10,356	190,846	
Total Instruction	32,062		180,490	10,356	222,908	
Support Services:						
Other Purchased Services	21,066	10,620			31,686	
Purchased Professional and Educational Services		2,610			2,610	
Supplies and Materials	1,297				1,297	
Total Support Services	22,363	13,230			35,593	
Total Expenditures	\$ 54,425	\$ 13,230	\$ 180,490	\$ 10,356	\$ 258,501	

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, 2017

Revenue and Other Financing Sources:	
State Sources - SDA Grant	<u>\$ (39,618)</u>
Total Revenues	(39,618)
Fund Balance - Beginning Balance	<u>112,569</u>
Fund Balance - Ending Balance	<u><u>\$ 72,951</u></u>
Recapitulation:	
Committed Fund Balance	\$ 72,951
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on the GAAP Basis	<u>(46,459)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 26,492</u></u>

BYRAM TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES
AND PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT- BYRAM INTERMEDIATE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources -SDA Grant	\$ 395,912	\$ (39,618)	\$ 356,294	\$ 356,294
Transfer from Capital Reserve	593,868		593,868	593,868
Total Revenues & Other Financing Sources	989,780	(39,618)	950,162	950,162
Expenditures:				
Construction Services	877,211		877,211	950,162
Total Expenditures	877,211		877,211	950,162
Excess of Revenue & Other Financing Sources Over Expenditures	\$ 112,569	\$ (39,618)	\$ 72,951	\$ - 0 -

Additional Project Information:

Project Number	0640-030-13-2001-G04 Roof
Grant Date	1/16/2014
Original Authorized Cost	\$ 989,780
Cancellation of SDA Grant	(39,618)
Revised Authorized Cost	<u>\$ 950,162</u>
Percentage Completed	92%
Original Target Completion Date	6/30/2015
Revised Target Completion Date	6/30/2018

PROPRIETARY FUNDS

BYRAM TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 31,434
Intergovernmental Accounts Receivable:	
Federal	2,877
State	147
Interfund Accounts Receivable:	
General Fund	4,972
Inventories	7,333
	<hr/>
Total Current Assets	46,763
	<hr/>

Non-Current Assets:

Capital Assets	324,522
Less: Accumulated Depreciation	(305,045)
	<hr/>
Total Non-Current Assets	19,477
	<hr/>

Total Assets	66,240
	<hr/>

LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	13,740
Unearned Revenue - Prepaid Sales	5,454
Unearned Revenue	3,109
	<hr/>

Total Current Liabilities	22,303
	<hr/>

NET POSITION:

Investment in Capital Assets	19,477
Unrestricted	24,460
	<hr/>

Total Net Position	\$ 43,937
	<hr/> <hr/>

BYRAM TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 95,428
Daily Sales - Non-Reimbursable Programs	67,075
Special Functions	2,740
	<hr/>
Total Operating Revenue	165,243
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	73,500
Cost of Sales - Non-Reimbursable Programs	30,021
Salaries, Benefits and Payroll Taxes	83,924
Supplies and Other Costs	31,792
Management Fee	10,150
Depreciation Expense	19,057
	<hr/>
Total Operating Expenses	248,444
	<hr/>
Operating Loss	(83,201)
	<hr/>
Non-Operating Income:	
Local Sources:	
Interest Income	4
State Sources:	
State School Lunch Program	1,796
Federal Sources:	
National School Lunch Program	35,718
Food Distribution Program	17,793
	<hr/>
Total Non-Operating Income	55,311
	<hr/>
Change in Net Position	(27,890)
Adjustment to Capital Assets	2,441
Net Position - Beginning of Year	69,386
	<hr/>
Net Position - End of Year	\$ 43,937
	<hr/> <hr/>

BYRAM TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 162,503
Other Receipts	2,740
Payments to Employees	(83,924)
Payments to Food Service Vendor	(89,846)
Payments to Suppliers	(31,792)
	<hr/>
Net Cash Used for Operating Activities	(40,319)
Cash Flows from Noncapital Financing Activities:	
Local Sources:	
Interest Income	4
State Sources:	
State School Lunch Program	1,523
Federal Sources:	
National School Lunch Program	29,915
	<hr/>
Net Cash Provided by Noncapital Financing Activities	31,442
	<hr/>
Net Decrease in Cash and Cash Equivalents	(8,877)
	<hr/>
Cash and Cash Equivalents, July 1	40,311
	<hr/>
Cash and Cash Equivalents, June 30	\$ 31,434
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:	
Operating Loss	\$ (83,201)
Adjustment to Reconcile Operating Loss to Cash Provided by (Used for) Operating Activities:	
Depreciation	19,057
Food Distribution Program	17,793
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventories	(391)
Increase/(Decrease) in Unearned Revenue	5,361
Increase/(Decrease) in Accounts Payable	1,062
	<hr/>
Net Cash Used for Operating Activities	\$ (40,319)
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received commodities valued at \$17,700 and utilized commodities valued at \$17,793 from the Federal Food Distribution Program for the fiscal year ended June 30, 2017.

FIDUCIARY FUNDS

BYRAM TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Student Activities Agency Fund</u>	<u>Payroll Agency Fund</u>	<u>Total Agency</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Totals</u>
ASSETS:					
Cash and Cash Equivalents	\$ 63,238	\$ 158,868	\$ 222,106	\$ 66,509	\$ 288,615
Total Assets	<u>63,238</u>	<u>158,868</u>	<u>222,106</u>	<u>66,509</u>	<u>288,615</u>
LIABILITIES:					
Due to Student Groups	63,238		63,238		63,238
Payroll Deductions and Withholdings		31,710	31,710		31,710
Accrued Salaries and Wages		122,850	122,850		122,850
Interfund Payable - General Fund		<u>4,308</u>	<u>4,308</u>		<u>4,308</u>
Total Liabilities	<u>63,238</u>	<u>158,868</u>	<u>222,106</u>		<u>222,106</u>
NET POSITION:					
Held in Trust for Unemployment				<u>66,509</u>	<u>66,509</u>
Total Net Position	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 66,509</u>	<u>\$ 66,509</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Unemployment Compensation Trust Fund</u>
Additions:	
Contributions:	
Plan Contributions	\$ 15,199
Board Contributions	<u>20,000</u>
Total Contributions	<u>35,199</u>
Investment Earnings:	
Interest	<u>6</u>
Net Investment Earnings	<u>6</u>
Total Additions	<u>35,205</u>
Deductions:	
Unemployment Claims	<u>40,742</u>
Total Deductions	<u>40,742</u>
Change in Net Position	(5,537)
Net Position - Beginning of the Year	<u>72,046</u>
Net Position - End of the Year	<u><u>\$ 66,509</u></u>

BYRAM TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 58,092	\$ 109,968	\$ 104,822	\$ 63,238
Total Assets	<u>\$ 58,092</u>	<u>\$ 109,968</u>	<u>\$ 104,822</u>	<u>\$ 63,238</u>
<u>LIABILITIES:</u>				
Due to Student Groups	\$ 58,092	\$ 109,968	\$ 104,822	\$ 63,238
Total Liabilities	<u>\$ 58,092</u>	<u>\$ 109,968</u>	<u>\$ 104,822</u>	<u>\$ 63,238</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY

	<u>Balance</u> <u>July 1, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
Byram Lakes School	\$ 7,939	\$ 21,950	\$ 20,872	\$ 9,017
Intermediate School	<u>50,153</u>	<u>88,018</u>	<u>83,950</u>	<u>54,221</u>
Total All Schools	<u>\$ 58,092</u>	<u>\$ 109,968</u>	<u>\$ 104,822</u>	<u>\$ 63,238</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 150,563	\$ 15,396,508	\$ 15,388,203	\$ 158,868
Total Assets	<u>\$ 150,563</u>	<u>\$ 15,396,508</u>	<u>\$ 15,388,203</u>	<u>\$ 158,868</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 32,441	\$ 9,814,947	\$ 9,815,678	\$ 31,710
Net Payroll	5,422	5,454,403	5,459,825	
Accrued Salaries and Wages	112,700	122,850	112,700	122,850
Interfund Payable - General Fund		4,308		4,308
Total Liabilities	<u>\$ 150,563</u>	<u>\$ 15,396,508</u>	<u>\$ 15,388,203</u>	<u>\$ 158,868</u>

LONG-TERM DEBT

BYRAM TOWNSHIP SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance July 1, 2016	Retired or Matured	Balance June 30, 2017
			Date	Amount				
Refunding School Bonds	12/16/15	\$ 3,560,000	03/15/18	\$ 695,000	1.69%	\$ 3,540,000	\$ 680,000	\$ 2,860,000
			03/15/19	705,000	1.69%			
			03/15/20	720,000	1.69%			
			03/15/21	740,000	1.69%			
						<u>\$ 3,540,000</u>	<u>\$ 680,000</u>	<u>\$ 2,860,000</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Item</u>	<u>Original Issue</u>	<u>Balance July 1, 2016</u>	<u>Retired or Matured</u>	<u>Balance June 30, 2017</u>
2011 Copier	\$ 73,968	<u>\$ 2,795</u>	<u>\$ 2,795</u>	
		<u>\$ 2,795</u>	<u>\$ 2,795</u>	<u>\$ -0-</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 705,567		\$ 705,567	\$ 705,767	\$ 200
Total Revenue	705,567		705,567	705,767	200
EXPENDITURES:					
Regular Debt Service:					
Interest	59,826		59,826	59,658	168
Redemption of Principal	680,000		680,000	680,000	
Total Regular Debt Service	739,826		739,826	739,658	168
Total Expenditures	739,826		739,826	739,658	168
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(34,259)		(34,259)	(33,891)	32
Fund Balance, July 1	34,259		34,259	34,259	
Fund Balance, June 30	\$ -0-	\$ -0-	\$ 34,259	\$ 368	\$ 32

Recapitulation:
Restricted Fund Balance

\$ 368

STATISTICAL SECTION

(UNAUDITED)

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

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

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

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

J-14 thru J-15

Operating Information

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

J-16 thru J-20

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

BYRAM TOWNSHIP SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	June 30,				
	2008	2009	2010	2011	2012
Governmental Activities:					
Net Investment in Capital Assets	\$ 8,778,728	\$ 8,828,383	\$ 8,775,097	\$ 8,828,878	\$ 8,886,904
Restricted	498,093	151,631	203,987	962,858	1,614,062
Unrestricted (Deficit)	(612,871)	(1,398,337)	(617,726)	(481,839)	(396,735)
Total Governmental Activities Net Position	<u>\$ 8,663,950</u>	<u>\$ 7,581,677</u>	<u>\$ 8,361,358</u>	<u>\$ 9,309,897</u>	<u>\$ 10,104,231</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 109,558	\$ 98,599	\$ 87,634	\$ 83,437	\$ 72,035
Unrestricted	29,352	35,338	44,929	50,598	54,885
Total Business-Type Activities Net Position	<u>\$ 138,910</u>	<u>\$ 133,937</u>	<u>\$ 132,563</u>	<u>\$ 134,035</u>	<u>\$ 126,920</u>
District-Wide:					
Net Investment in Capital Assets	\$ 8,888,286	\$ 8,926,982	\$ 8,862,731	\$ 8,912,315	\$ 8,958,939
Restricted	498,093	151,631	203,987	962,858	1,614,062
Unrestricted (Deficit)	(583,519)	(1,362,999)	(572,797)	(431,241)	(341,850)
Total District Net Position	<u>\$ 8,802,860</u>	<u>\$ 7,715,614</u>	<u>\$ 8,493,921</u>	<u>\$ 9,443,932</u>	<u>\$ 10,231,151</u>

BYRAM TOWNSHIP SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	June 30,				
	2013	2014	2015	2016	2017
Governmental Activities:					
Net Investment in Capital Assets	\$ 9,015,795	\$ 9,504,913	\$ 11,087,275	\$ 11,239,559	\$ 11,682,608
Restricted	2,175,373	2,153,062	2,073,214	2,423,558	2,988,124
Unrestricted (Deficit)	(330,498)	(393,319)	(3,109,669)	(2,924,110)	(3,399,613)
Total Governmental Activities Net Position	<u>\$ 10,860,670</u>	<u>\$ 11,264,656</u>	<u>\$ 10,050,820</u>	<u>\$ 10,739,007</u>	<u>\$ 11,271,119</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 75,503	\$ 64,061	\$ 46,811	\$ 36,093	\$ 19,477
Unrestricted	17,922	22,935	33,051	33,293	24,460
Total Business-Type Activities Net Position	<u>\$ 93,425</u>	<u>\$ 86,996</u>	<u>\$ 79,862</u>	<u>\$ 69,386</u>	<u>\$ 43,937</u>
District-Wide:					
Investment in Capital Assets	\$ 9,091,298	\$ 9,568,974	\$ 11,134,086	\$ 11,275,652	\$ 11,702,085
Restricted	2,175,373	2,153,062	2,073,214	2,423,558	2,988,124
Unrestricted (Deficit)	(312,576)	(370,384)	(3,076,618)	(2,890,817)	(3,375,153)
Total District Net Position	<u>\$ 10,954,095</u>	<u>\$ 11,351,652</u>	<u>\$ 10,130,682</u>	<u>\$ 10,808,393</u>	<u>\$ 11,315,056</u>

Source: Byram Township School District Financial Reports.

BYRAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2008	2009	2010	2011	2012
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 6,361,745	\$ 5,907,433	\$ 5,735,545	\$ 5,289,620	\$ 5,484,839
Special Education	1,602,458	1,444,608	1,561,570	1,450,588	1,621,760
Other Special Instruction	332,375	473,996	403,714	478,941	317,182
School-Sponsored/Other Instruction	62,466	59,477	72,805	81,545	78,876
Support Services:					
Tuition	309,134	232,576	125,566	180,124	289,676
Student & Instruction Related Services	1,848,713	1,715,330	1,695,036	1,831,276	1,852,908
General Administrative Services	442,038	488,865	512,842	478,650	466,887
School Administrative Services	617,984	589,568	554,274	595,251	586,540
Central Services	531,782	437,013	424,458	360,912	436,474
Administrative Information Technology					
Plant Operations and Maintenance	2,023,167	1,481,573	1,295,228	1,245,775	1,285,268
Pupil Transportation	709,081	796,461	720,614	678,171	646,189
Unallocated Benefits		971,757	939,260	846,280	1,071,640
Interest on Long-term Debt	346,655	325,823	305,202	286,067	264,478
Unallocated Depreciation		599,609	575,930	554,978	586,992
Capital Outlay			33,414	45,150	113,028
Charter Schools	13,337	23,013	31,489	37,999	50,128
Total Governmental Activities Expenses	15,200,935	15,547,101	14,986,946	14,441,329	15,152,863
Business-Type Activities:					
Food Service	312,913	316,167	282,782	279,815	269,513
Total Business-type Activities Expense	312,913	316,167	282,782	279,815	269,513
Total District Expenses	\$ 15,513,848	\$ 15,863,268	\$ 15,269,729	\$ 14,721,144	\$ 15,422,376

BYRAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2008	2009	2010	2011	2012
Program Revenues					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 9,759				\$ 13,105
Operating Grants and Contributions	2,462,427	\$ 278,194	\$ 385,457	\$ 362,347	272,835
Capital Grants and Contributions					
Total Governmental Activities Program Revenues	2,472,186	278,194	385,457	362,347	285,940
Business-Type Activities:					
Charges for Services:					
Food Service	261,237	243,033	216,325	195,836	172,735
Operating Grants and Contributions	55,859	68,091	64,996	85,409	89,643
Total Business-type Activities Program Revenues	317,096	311,123	281,321	281,244	262,378
Total District Program Revenues	<u>\$ 2,789,282</u>	<u>\$ 589,317</u>	<u>\$ 666,778</u>	<u>\$ 643,591</u>	<u>\$ 548,318</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (12,728,749)	\$ (15,268,907)	\$ (14,601,489)	\$ (14,078,982)	\$ (14,866,924)
Business-type Activities	4,183	(5,043)	(1,461)	1,430	(7,135)
Total District-wide Net Expense	<u>\$ (12,724,566)</u>	<u>\$ (15,273,951)</u>	<u>\$ (14,602,950)</u>	<u>\$ (14,077,552)</u>	<u>\$ (14,874,058)</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 8,713,931	\$ 8,923,728	\$ 9,726,141	\$ 9,940,000	\$ 10,138,800
Taxes Levied for Debt Service	793,018	746,928	776,262	810,713	806,101
Unrestricted Grants and Contributions	2,622,184	4,447,661	4,743,786	4,169,555	4,576,483
Federal and State aid not restricted					
Tuition					
Investment Earnings	43,914	11,229	4,350	2,857	2,136
Capital Outlay Facilities Grant					
Extraordinary Items					
Miscellaneous Income	50,543	57,089	130,631	104,396	137,738
Cancellation on Prior Year Accounts Payable					
Total Governmental Activities	12,223,590	14,186,635	15,381,170	15,027,521	15,661,258
Business-Type Activities:					
Investment Earnings	85	70	87	42	20
Transfers/Other					
Total Business-Type Activities	85	70	87	42	20
Total District-Wide	\$ 12,223,675	\$ 14,186,705	\$ 15,381,257	\$ 15,027,563	\$ 15,661,278
Change in Net Position:					
Governmental Activities	\$ (505,159)	\$ (1,082,272)	\$ 779,681	\$ 948,539	\$ 794,334
Business-type Activities	4,268	(4,973)	(1,374)	1,472	(7,115)
Total District	\$ (500,891)	\$ (1,087,245)	\$ 778,307	\$ 950,011	\$ 787,219

BYRAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2013	2014	2015	2016	2017
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 5,727,131	\$ 6,183,245	\$ 6,239,377	\$ 5,785,991	\$ 8,174,622
Special Education	1,704,502	1,505,619	1,711,440	1,976,884	3,228,163
Other Special Instruction	318,212	236,321	192,633	280,706	293,379
School-Sponsored/Other Instruction	77,115	83,915	79,035	83,513	317,400
Support Services:					
Tuition	290,144	334,507	222,985	371,016	326,902
Student & Instruction Related Services	1,884,278	1,945,906	1,986,770	2,265,456	3,027,172
School Administrative Services	358,128	394,719	461,674	478,373	809,082
General Administrative Services	553,462	569,067	635,189	604,541	558,274
Central Services	388,272	507,898	497,126	449,425	447,985
Administrative Information Technology					73,573
Plant Operations and Maintenance	1,274,688	1,388,233	1,270,621	1,347,036	1,529,067
Pupil Transportation	678,158	770,239	539,641	607,539	618,872
Unallocated Benefits	1,355,979	1,170,353	2,797,428	3,565,949	
Interest on Long-term Debt	240,565	211,729	221,438	43,909	56,306
Unallocated Depreciation	575,332	577,519	723,359	800,474	808,665
Capital Outlay	39,882	1,255	37,734	19,526	69,850
Charter Schools	76,903	94,450	81,238	136,291	116,831
Total Governmental Activities Expenses	15,542,751	15,974,975	17,697,688	18,816,629	20,456,143
Business-Type Activities:					
Food Service	266,163	246,141	234,569	222,962	248,444
Total Business-type Activities Expense	266,163	246,141	234,569	222,962	248,444
Total District Expenses	\$ 15,808,914	\$ 16,221,116	\$ 17,932,257	\$ 19,039,590	\$ 20,704,587

BYRAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2013	2014	2015	2016	2017
Program Revenues					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 13,763	\$ 13,744	\$ 12,125	\$ 13,000	\$ 83,512
Operating Grants and Contributions	279,553	258,293	248,799	264,247	6,123,576
Capital Grants and Contributions					(39,618)
Total Governmental Activities Program Revenues	293,316	272,037	260,924	277,247	6,167,470
Business-Type Activities:					
Charges for Services:					
Food Service	\$ 158,256	\$ 168,230	\$ 174,600	\$ 164,273	\$ 165,243
Operating Grants and Contributions	74,408	71,478	52,832	48,209	55,307
Total Business-type Activities Program Revenues	232,664	239,708	227,432	212,482	220,550
Total District Program Revenues	<u>\$ 525,980</u>	<u>\$ 511,745</u>	<u>\$ 488,356</u>	<u>\$ 489,729</u>	<u>\$ 6,388,020</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (15,249,435)	\$ (15,702,938)	\$ (17,436,764)	\$ (18,539,381)	\$ (14,288,673)
Business-type Activities	(33,499)	(6,433)	(7,137)	(10,480)	(27,894)
Total District-wide Net Expense	<u>\$ (15,282,934)</u>	<u>\$ (15,709,371)</u>	<u>\$ (17,443,901)</u>	<u>\$ (18,549,861)</u>	<u>\$ (14,316,567)</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 10,341,576	\$ 10,548,406	\$ 10,689,890	\$ 10,903,688	\$ 11,067,244
Taxes Levied for Debt Service	810,851	814,394	772,150	776,050	705,767
Unrestricted Grants and Contributions	4,791,287	4,695,256	6,613,084	7,508,589	2,933,786
Federal and State aid not restricted				46,080	
Tuition			14,741	2,016	
Investment Earnings	2,301	1,753	1,401		
Capital Outlay Facilities Grant			350,884		
Extraordinary Items				(95,000)	
Miscellaneous Income	59,859	47,116	160,322	86,145	115,419
Cancellation on Prior Year Accounts Payable					(1,431)
Total Governmental Activities	16,005,874	16,106,925	18,602,473	19,227,568	14,820,785
Business-Type Activities:					
Investment Earnings	4	3	3	5	4
Transfers/Other					2,441
Total Business-Type Activities	4	3	3	5	2,445
Total District-Wide	\$ 16,005,878	\$ 16,106,928	\$ 18,602,476	\$ 19,227,573	\$ 14,823,230
Change in Net Position:					
Governmental Activities	\$ 756,439	\$ 403,987	\$ 1,165,709	\$ 688,187	\$ 532,112
Business-type Activities	(33,495)	(6,430)	(7,134)	(10,475)	(25,449)
Total District	\$ 722,944	\$ 397,557	\$ 1,158,574	\$ 677,712	\$ 506,663

Source: Byram Township School District Financial Reports.

BYRAM TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	June 30,				
	2008	2009	2010	2011	2012
General Fund:					
Reserved	\$ 354,563	\$ 122,474	\$ 203,921		
Restricted				\$ 211,351	\$ 1,145,910
Assigned				801,935.00	603,401
Unreserved/Deficit	41,009	(641,273)	88,832		
Unassigned				70,382	21,690
Total General Fund	<u>\$ 395,572</u>	<u>\$ (518,799)</u>	<u>\$ 292,753</u>	<u>\$ 1,083,668</u>	<u>\$ 1,771,001</u>
All Other Governmental Funds:					
Restricted					
Committed					
Unreserved	88,146	29,158	66		1
Total All Other Governmental Funds	<u>\$ 88,146</u>	<u>\$ 29,158</u>	<u>\$ 66</u>	<u>\$ - 0 -</u>	<u>\$ 1</u>
Total Governmental Funds	<u>\$ 483,718</u>	<u>\$ (489,641)</u>	<u>\$ 292,819</u>	<u>\$ 1,083,668</u>	<u>\$ 1,771,002</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	June 30,				
	2013	2014	2015	2016	2017
General Fund:					
Reserved					
Restricted	\$ 1,630,910	\$ 1,303,042	\$ 2,005,672	\$ 2,321,757	\$ 2,987,756
Assigned	694,461	315,719	383,709	465,252	176,686
Unreserved	37,163	39,217	(10,616)	27,133	13,839
Unassigned					
Total General Fund	<u>\$ 2,362,534</u>	<u>\$ 1,657,978</u>	<u>\$ 2,378,765</u>	<u>\$ 2,814,142</u>	<u>\$ 3,178,281</u>
All Other Governmental Funds:					
Restricted					368
Committed					26,492
Unreserved	1	593,868	67,542	101,801	
Total All Other Governmental Funds	<u>\$ 1</u>	<u>\$ 593,868</u>	<u>\$ 67,542</u>	<u>\$ 101,801</u>	<u>\$ 26,860</u>
Total Governmental Funds	<u>\$ 2,362,535</u>	<u>\$ 2,251,846</u>	<u>\$ 2,446,307</u>	<u>\$ 2,915,943</u>	<u>\$ 3,205,141</u>

Source: Byram Township School District Financial Reports.

BYRAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2008	2009	2010	2011	2012
Revenues:					
Tax Levy	\$ 9,506,949	\$ 9,670,656	\$ 10,502,403	\$ 10,750,713	\$ 10,944,901
Tuition Charges	9,759	29,713	22,458	23,302	84,111
Interest Earnings	1,528	787			
Miscellaneous	92,929	37,819	112,523	83,951	78,868
State Sources	4,825,863	4,461,133	4,276,627	4,180,769	4,483,481
Federal Sources	258,748	264,722	852,616	351,133	355,837
Total Revenue	14,695,776	14,464,830	15,766,627	15,389,868	15,947,198
Expenditures					
Instruction:					
Regular Instruction	4,573,198	4,899,449	4,604,241	4,244,814	4,392,070
Special Education Instruction	1,139,869	1,162,691	1,229,129	1,136,995	1,273,022
Other Special Education	231,441	381,614	317,763	375,388	248,731
Co-Curricular Activities & Athletics	45,640	49,086	58,535	64,766	62,380
Support Services:					
Tuition	309,134	232,576	125,566	180,124	289,676
Student & Instruction Related Services	1,379,608	1,424,276	1,384,286	1,479,157	1,490,233
General Administrative Services	362,220	405,908	421,501	390,037	382,265
School Administrative Services	444,869	476,883	440,428	470,806	463,331
Central Services	214,567	200,443	206,250	213,123	222,803
Administrative Information Technology	187,247	190,094	167,650	97,139	162,623
Plant Operations and Maintenance	1,268,134	1,371,076	1,182,700	1,142,392	1,211,764
Student Transportation	709,081	793,477	716,489	673,708	643,095

BYRAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,			
	2008	2009	2010	2011
Expenditures				
Support Services:				
Unallocated Benefits	\$ 3,337,514	\$ 3,008,151	\$ 3,248,760	\$ 3,158,994
Charter Schools	13,337	23,013	31,489	37,999
Capital Outlay	5,789	21,840	60,353	111,584
Debt Service:				
Principal	460,071	486,446	507,843	529,347
Interest and Other Charges	353,026	333,007	310,840	292,645
Total Expenditures	<u>15,034,745</u>	<u>15,460,030</u>	<u>15,013,823</u>	<u>14,599,018</u>
Excess/(Deficiency) of Revenue				
Over/(Under) Expenditures	<u>(338,969)</u>	<u>(995,200)</u>	<u>752,804</u>	<u>790,850</u>
Other Financing Sources/(Uses):				
Capital Leases (non-budgeted)		21,840	29,656	73,967
Cancellation of Prior Year Accounts Payable				
Transfers In	65,456	65		
Transfers Out	<u>(65,456)</u>	<u>(65)</u>		
Total Other Financing Sources/(Uses)		21,840	29,656	73,967
Net Change in Fund Balances	<u>\$ (338,969)</u>	<u>\$ (973,360)</u>	<u>\$ 782,460</u>	<u>\$ 790,850</u>
Debt Service as a Percentage of Noncapital Expenditures	5.41%	5.31%	5.47%	5.67%
				5.29%

BYRAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2013	2014	2015	2016	2017
Revenues:					
Tax Levy	\$ 11,152,427	\$ 11,362,800	\$ 11,462,040	\$ 11,679,738	\$ 11,773,011
Tuition Charges			14,741	46,080	83,512
Interest Earnings					
Miscellaneous	80,923	63,063	184,048	101,161	115,419
State Sources	4,779,469	4,706,133	5,518,837	5,527,554	5,672,309
Federal Sources	286,371	246,965	238,599	264,247	258,501
Total Revenue	16,299,190	16,378,961	17,418,265	17,618,780	17,902,752
Expenditures					
Instruction:					
Regular Instruction	4,641,956	4,948,303	5,068,702	4,519,552	4,429,856
Special Education Instruction	1,350,151	1,175,823	1,332,629	1,505,523	1,812,234
Other Special Education	251,874	184,409	149,859	213,424	298,442
Co-Curricular Activities & Athletics	61,704	65,997	62,180	64,523	26,127
Support Services:					
Tuition	290,144	334,506	222,985	371,016	326,902
Student & Instruction Related Services	1,539,812	1,563,752	1,617,243	1,867,892	1,805,112
General Administrative Services	297,150	323,134	380,074	369,042	359,989
School Administrative Services	441,477	444,061	494,146	459,591	452,571
Central Services	217,885	238,109	241,647	250,309	267,624
Administrative Information Technology	122,251	211,240	196,799	131,299	73,573
Plant Operations and Maintenance	1,167,160	1,267,319	1,149,951	1,216,595	1,180,966
Student Transportation	673,802	767,252	528,248	591,939	587,470

BYRAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2013	2014	2015	2016	2017
Expenditures					
Support Services:					
Unallocated Benefits	\$ 3,588,565	\$ 3,589,091	\$ 3,738,218	\$ 4,237,738	\$ 4,495,998
Charter Schools	76,903	94,450	81,238	136,291	116,831
Capital Outlay	164,984	456,835	1,187,834	472,619	638,769
Debt Service:					
Principal	572,632	604,420	580,000	630,000	680,000
Interest and Other Charges	249,206	220,851	192,150	111,791	59,658
Total Expenditures	<u>15,707,656</u>	<u>16,489,552</u>	<u>17,223,903</u>	<u>17,149,144</u>	<u>17,612,122</u>
Excess/(Deficiency) of Revenue					
Over/(Under) Expenditures	591,534	(110,591)	194,362	469,636	290,630
Other Financing Sources/(Uses):					
Capital Leases (non-budgeted)					(1,431)
Cancellation of Prior Year Accounts Payable					
Transfers In		593,868			
Transfers Out		(593,868)			
Total Other Financing Sources/(Uses)					(1,431)
Net Change in Fund Balances	<u>\$ 591,534</u>	<u>\$ (110,591)</u>	<u>\$ 194,362</u>	<u>\$ 469,636</u>	<u>\$ 289,199</u>
Debt Service as a Percentage					
of Noncapital Expenditures	5.41%	5.15%	4.82%	4.45%	4.20%

Source: Byram Township School District Financial Reports.

BYRAM TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Prior Year Refunds	Rentals - Use of Facilities	Activity Fees	Donations	Miscellaneous	Total
2008	\$ 43,816	\$ 9,759					\$ 50,543	\$ 104,118
2009	11,229	29,713		\$ 12,588			14,723	68,253
2010	4,350	22,458		13,556			94,617	134,981
2011	2,857	23,302		30,820	\$ 11,431		15,541	83,951
2012	2,136	84,111		32,982	13,105		20,645	152,979
2013	2,300			28,945	13,763		30,914	75,922
2014	1,753			7,860	13,743		39,257	62,613
2015	1,401	14,741		8,533	12,125		151,790	188,590
2016	2,016	46,080		13,825	13,000		72,320	147,241
2017	2,167	83,512	\$ 14,307	8,903	10,400	\$ 7,500	72,142	198,931

Source: Byram Township School District Financial Reports.

BYRAM TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
UNAUDITED

Year Ended Dec. 31	Vacant Land	Residential		Farm Regular	Commercial	Industrial	Apartment	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Assessed Value	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2007	\$ 10,889,000	\$ 464,460,700	\$ 7,614,330	\$ 43,859,100	\$ 1,594,000	\$ 643,600	\$ 687,019	\$ 529,747,749	\$ 36,528,900	\$ 529,060,730	1.76	\$ 1,155,200,736	
2008	12,114,800	464,612,100	7,746,430	43,587,500	1,139,000	643,600	681,320	530,524,750	34,772,700	529,843,430	1.81	1,208,520,486	
2009	22,317,900	973,495,200	19,960,400	92,633,900	2,395,200	1,288,700	1,602,366	1,113,693,666	67,604,100	1,112,091,300	0.91	1,187,662,199	
2010	21,245,900	971,973,300	17,849,900	91,769,700	2,395,200	1,288,700	1,619,451	1,108,142,151	66,879,200	1,106,522,700	0.96	1,158,651,730	
2011	20,595,500	969,486,200	17,459,400	91,981,000	2,134,900	1,288,700	1,360,870	1,104,306,570	67,835,000	1,102,945,700	0.98	1,133,421,802	
2012	18,175,900	814,978,400	14,982,000	79,756,200	1,881,100	1,115,600	1,367,521	932,256,721	67,197,300	930,889,200	1.19	1,022,304,686	
2013	17,057,400	814,021,000	15,580,200	80,556,400	1,881,100	1,115,600	169,287	930,380,987	65,555,900	930,211,700	1.21	1,014,784,450	
2014	15,872,700	815,375,600	16,085,400	79,509,100	1,881,100	1,115,600	170,951	930,010,451	65,558,100	929,839,500	1.23	983,104,528	
2015	16,159,100	812,932,400	16,575,000	77,996,100	1,881,100	1,115,600		926,659,300	66,725,200	926,659,300	1.25	961,176,097	
2016	15,654,400	813,991,600	14,976,800	77,065,800	1,881,100	1,115,600		925,408,700	67,800,200	925,408,700	1.27	969,084,680	

^ - Reassessment of property was effective in 2009 and 2012

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

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

^b Tax rates are per \$100 of Assessed Valuation.

Source: Byram Township Tax Assessor.

BYRAM TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	Direct SchoolRate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic School Rate ^a	School Debt Service ^b	Total Direct School Rate	Municipality	County	Regional High School	
2007	1.610	0.150	1.760	1.160	0.890	0.930	4.740
2008	1.662	0.149	1.811	1.263	0.875	0.950	4.899
2009	0.838	0.067	0.905	0.640	0.407	0.466	2.418
2010	0.887	0.072	0.959 [^]	0.678	0.424	0.486	2.547
2011	0.910	0.073	0.983	0.696	0.446	0.511	2.636
2012	1.099	0.087	1.186	0.850	0.510	0.631	3.177
2013	1.123	0.087	1.210	0.873	0.541	0.648	3.272
2014	1.143	0.085	1.228 [^]	0.875	0.554	0.664	3.321
2015	1.165	0.084	1.249	0.890	0.537	0.663	3.339
2016	1.187	0.080	1.267	0.913	0.578	0.666	3.424

[^] - Reassessment of property was effective in 2010 and 2014

Note: NJSA 18A:7F-5d limits the amount that the district can submit for the General Fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

^a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.
^b Rates for debt service are based on each year's requirements.

Source: Byram Township Tax Collector and School Business Administrator.

BYRAM TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2016			2007		
	Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Gordon Byram Associates, LLC	\$ 17,712,100	1	1.91%	\$ 11,957,000	1	2.30%
Byram Land Development	5,043,700	2	0.54%	2,214,100	2	0.43%
Byram Self Storage, LLC	4,250,000	3	0.46%	2,125,200	3	0.41%
YK Realty Co, LLC	4,233,500	4	0.46%	1,907,500	4	0.37%
Tozzo, Domenick c/o Lynnes Nissan	2,875,000	5	0.31%	1,448,100	5	0.28%
Panther Lake Camping Resort	2,717,300	6	0.29%	1,394,800	6	0.27%
206 Acorn Development Corp.	2,296,600	7	0.25%	1,223,100	7	0.24%
Lake Lackawanna Investment Co.	1,909,500	8	0.21%	1,025,100	8	0.20%
Individual Taxpayer # 1	1,896,500	9	0.20%	986,600	9	0.19%
Individual Taxpayer # 2	1,668,300	10	0.18%	823,400	10	0.16%
Total	\$ 44,602,500		4.81%	\$ 25,104,900		4.85%

Note: Individual taxpayers may not be the same taxpayers in other years.

Source: Byram Township Tax Assessor.

BYRAM TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal</u> <u>Year of the Levy</u> ^a		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2008	\$ 9,506,949	\$ 9,506,949	100.00%	- 0 -
2009	9,670,656	9,670,656	100.00%	- 0 -
2010	10,502,403	10,502,403	100.00%	- 0 -
2011	10,750,713	10,750,713	100.00%	- 0 -
2012	10,944,901	10,944,901	100.00%	- 0 -
2013	11,152,427	11,152,427	100.00%	- 0 -
2014	11,362,800	11,362,800	100.00%	- 0 -
2015	11,462,040	11,462,040	100.00%	- 0 -
2016	11,679,738	11,679,738	100.00%	- 0 -
2017	11,773,011	11,773,011	100.00%	- 0 -

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

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

BYRAM TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Business- Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Early Retirement Incentive Plan	Capital Leases	Loans Payable	Capital Leases			
2008	\$ 7,600,000	\$ 222,542	\$ - 0 -	\$ 301,616	\$ - 0 -	\$ 8,124,158	2.10%	957.36
2009	7,160,000	212,357	62,971	255,172	- 0 -	7,690,500	1.91%	907.11
2010	6,700,000	201,332	66,508	207,329	- 0 -	7,175,170	1.87%	859.30
2011	6,220,000	189,397	44,930	157,982	- 0 -	6,612,309	1.71%	795.90
2012	5,725,000	176,477	64,799	107,053	- 0 -	6,073,329	1.52%	737.59
2013	5,205,000	162,491	49,710	54,421	- 0 -	5,471,622	1.34%	669.97
2014	4,655,000	147,352	34,473	- 0 -	- 0 -	4,836,825	1.13%	596.70
2015	5,075,000	130,964	19,056	- 0 -	- 0 -	4,225,020	0.95%	526.09
2016	3,540,000	113,224	2,795	- 0 -	- 0 -	3,656,019	0.82%	456.55
2017	2,860,000	94,020	- 0 -	- 0 -	- 0 -	2,954,020	0.66%	368.88

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

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

Source: Byram Township School District Financial Reports.

BYRAM TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	\$ 7,600,000	\$ - 0 -	\$ 7,600,000	1.43%	895.59
2009	7,160,000	- 0 -	7,160,000	1.35%	844.54
2010	6,700,000	- 0 -	6,700,000	0.60%	802.40
2011	6,220,000	- 0 -	6,220,000	0.56%	748.68
2012	5,725,000	- 0 -	5,725,000	0.52%	695.29
2013	5,205,000	- 0 -	5,205,000	0.56%	637.32
2014	4,655,000	- 0 -	4,655,000	0.50%	574.27
2015	4,075,000	- 0 -	4,075,000	0.44%	507.41
2016	3,540,000	- 0 -	3,540,000	0.38%	442.06
2017	2,860,000	- 0 -	2,860,000	0.31%	357.14

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

^a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

^b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: Byram Township School District Financial Reports.

BYRAM TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Byram Township General Debt	\$ 3,488,573	100%	\$ 3,488,573
Sussex County General Obligation Debt	111,347,324	5.749%	<u>6,401,886</u>
Subtotal, Overlapping Debt as of December 31, 2016			9,890,459
Byram Township School District Direct Debt			<u>2,860,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 12,750,459</u></u>

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, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of Byram Township's equalized property value that is within the Sussex County's boundaries and dividing it by Sussex County's total equalized property value.

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.

BYRAM TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 UNAUDITED

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 33,744,182	\$ 35,240,913	\$ 35,240,813	\$ 34,709,624	\$ 34,040,367	\$ 32,568,452	\$ 31,046,876	\$ 29,599,980	\$ 29,151,468	\$ 28,984,514
Total Net Debt Applicable to Limit	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	2,860,000
Legal Debt Margin	\$ 33,434,966	\$ 27,825,741	\$ 28,333,484	\$ 28,331,642	\$ 28,208,314	\$ 27,309,031	\$ 26,391,876	\$ 25,524,980	\$ 25,611,468	\$ 26,124,514
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.92%	21.04%	19.60%	18.38%	17.13%	16.15%	14.99%	13.77%	12.14%	9.87%

Legal Debt Margin Calculation for Fiscal Year 2017

	Year	Equalized Valuation Basis
Average Equalized Valuation of Taxable Property	2014	\$ 963,464,408
	2015	969,410,294
	2016	965,576,690
		<u>\$ 2,898,451,392</u>
		<u>\$ 966,150,464</u>
Debt Limit (3% of average equalization value) ^a		\$ 28,984,514
Net Bonded School Debt as of June 30, 2017		<u>2,860,000</u>
Legal Debt Margin		<u>\$ 26,124,514</u>

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts.

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

BYRAM TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Per Capita Personal Income ^b	Personal Income ^c	Unemployment Rate ^d
2008	8,486	\$ 45,638	\$ 387,284,068	4.30%
2009	8,478	47,416	401,992,848	5.50%
2010	8,350	46,021	384,275,350	9.20%
2011	8,308	46,659	387,642,972	9.80%
2012	8,234	48,471	399,110,214	9.50%
2013	8,167	50,169	409,730,223	9.50%
2014	8,106	52,851	428,410,206	5.70%
2015	8,031	55,497	445,696,407	5.10%
2016	8,008	55,497 **	444,419,976	4.50%
2017	8,008 *	55,497 **	444,419,976 ***	N/A

* - Latest Sussex County population available (2016) was used for calculation purposes.

** - Latest Sussex County per capita income available (2015) was used for calculation purposes.

*** - Latest available population data (2016) and latest available Sussex County per capita personal income (2015) was used for calculation purposes.

N/A - Information is not currently available.

Sources:

^a Population information provided by the NJ Dept of Labor and Workforce Development.

^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

^c Personal income has been estimated based upon the municipal population and per capita personal income presented.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development.

BYRAM TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS, COUNTY OF SUSSEX
 CURRENT YEAR AND NINE YEARS AGO
 UNAUDITED

		2016		2007	
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Newton Medical Center	1,000-4,999	1.38%-6.91%	Newton Memorial Hospital	1,109	1.37%
County of Sussex	500-999	0.69%-1.38%	County of Sussex	770	0.95%
Thorlabs	500-999	0.69%-1.38%	Ronetco Supermarkets, Inc. (Shop Rite)	672	0.83%
Sussex County Community College	250-499	0.35%-0.69%	Sussex County Community College	516	0.64%
Newton 213 LLC, C/O Ronetco	100-249	0.14%-0.34%	Wal-Mart	426	0.53%
Bristol Glen	100-249	0.14%-0.34%	Newton Board of Education	266	0.33%
Barn Hill Care Center	100-249	0.14%-0.34%	Lakeland Bank	226	0.28%
Home Depot	100-249	0.14%-0.34%	Kittatinny Regional High School	169	0.21%
Kohls	100-249	0.14%-0.34%	Thorlabs	150	0.19%
Superior Court of Newton	100-249	0.14%-0.34%	All Quality Care, Inc.	150	0.19%
Total	2850-8990	3.94%-12.42%	Total	4,454	5.50%
Total Employment	72,391		Total Employment	81,045	

Source: County of Sussex

BYRAM TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 UNAUDITED
(Accrual Basis of Accounting)

Function/Program:	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction:										
Regular	70.5	70.5	64.0	56.0	59.0	62.0	68.0	65.0	61.7	59.1
Special Education	15.0	23.0	25.0	24.0	27.0	22.0	17.0	27.0	33.6	39.5
Other	5.0	4.0	4.0	4.0	3.0			3.0	2.0	3.0
Support Services:										
Student & Instruction Related Services	6.9	8.0	6.0	8.0	6.0	15.0	29.0	21.5	19.0	18.0
School Administrative Services	3.5	7.0	6.0	5.0	5.0	5.0	8.5	7.0	7.0	6.5
General Administrative Services	4.0	4.0	4.0	4.0	2.0	2.0	2.0	2.0	2.0	2.5
Central Services	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Plant Operations and Maintenance	14.0	12.0	12.0	12.0	10.0	11.0	12.5	11.0	10.3	10.3
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	1.2	1.2
Pupil Transportation										
	<u>121.9</u>	<u>131.5</u>	<u>124.0</u>	<u>116.0</u>	<u>116.0</u>	<u>121.0</u>	<u>142.0</u>	<u>141.5</u>	<u>139.8</u>	<u>143.1</u>

Source: Byram Township School District Financial Reports.

BYRAM TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary Schools	Schools				
2008	1,159	14,215,859	12,266	-59.68%	97.0	12:1	1,160	1,110	-0.26%	95.69%	
2009	1,120	14,618,737	13,052	6.41%	98.0	12:1	1,122	1,078	-3.28%	96.08%	
2010	1,082	14,134,787	13,064	0.09%	93	11:1	1,083	1,039	-3.48%	95.94%	
2011	1,047	13,665,442	13,052	-0.09%	84.0	11:1	1,032	991	-4.71%	96.03%	
2012	1,033	14,276,048	13,820	5.88%	89.0	11:1	1,034	992	0.19%	95.94%	
2013	973	14,720,834	15,129	9.47%	87.0	10:1	958	916	-7.35%	95.62%	
2014	898	15,207,446	16,935	11.93%	85.0	10:1	885	845	-7.62%	95.48%	
2015	905	15,263,919	16,866	-0.41%	89.0	9:1	907	866	2.49%	95.48%	
2016	888	15,934,734	17,945	6.39%	93.0	8:1	880	841	-2.98%	95.57%	
2017	862	16,233,695	18,833	4.95%	96.0	9:1	869	825	-1.25%	94.94%	

Note: Enrollment based on annual October District count.

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

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

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

^d The Cost per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This cost per pupil may be different from State cost per pupil calculations.

Sources: Byram Township School District Records.

BYRAM TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

District BuildingsByram Lakes Elementary School:

<u>Fiscal Year</u>	<u>Square Feet</u>	<u>Capacity (Students)</u>	<u>Enrollment</u>
2008	85,173	892	627
2009	85,173	892	607
2010	85,173	892	547
2011	85,173	892	547
2012	85,173	892	548
2013	85,173	892	501
2014	85,173	892	461
2015	85,173	892	430
2016	85,173	892	458
2017	85,173	892	440

Intermediate Middle School:

<u>Fiscal Year</u>	<u>Square Feet</u>	<u>Capacity (Students)</u>	<u>Enrollment</u>
2008	87,931	614	532
2009	87,931	614	513
2010	87,931	614	535
2011	87,931	614	500
2012	87,931	614	485
2013	87,931	614	472
2014	87,931	614	423
2015	87,931	614	437
2016	87,931	614	416
2017	87,931	614	422

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

Source: Byram Township School District Records.

BYRAM TOWNSHIP SCHOOL DISTRICT
GENERAL FUND SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

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

Facility	Project #(s)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>School Facilities:</u>											
Byram Lakes Elementary	N/A	\$ 31,530	\$ 29,859	\$ 31,117	\$ 20,867	\$ 32,080	\$ 38,319	\$ 82,595	\$ 37,111	\$ 60,813	\$ 54,878
Intermediate Middle	N/A	60,220	97,870	50,921	48,435	134,685	46,321	79,357	104,777	186,473	95,800
Total School Facilities		<u>\$ 91,750</u>	<u>\$ 127,729</u>	<u>\$ 82,038</u>	<u>\$ 69,302</u>	<u>\$ 166,765</u>	<u>\$ 84,640</u>	<u>\$ 161,952</u>	<u>\$ 141,888</u>	<u>\$ 247,286</u>	<u>\$ 150,678</u>

N/A - Not Applicable

Source: Byram Township School District Records.

BYRAM TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2016
UNAUDITED

	<u>Coverage</u>		<u>Deductible</u>
School Alliance Insurance Fund:			
School Package Policy - School Alliance Insurance Fund	\$ 500,000,000	Fund Limit	\$ 2,500
Building & Personal Property			1,000
Inland Marine - Auto Physical Damage			
General Liability including Auto, Employee Benefits:			
Per Occurrence	5,000,000		
General Aggregate	100,000,000	Fund Aggregate	
Product/Completed Ops			
Personal Injury			
Fire Damage	2,500,000		
Medical Expenses (excluding students taking part in athletics)	10,000		
Automobile Coverage			
Combined Single Limit			
Hired/Non-owned			
Environmental Impairment Liability	1,000,000	Per Occurrence	10,000
	25,000,000	Fund Aggregate	100,000
		First party Fungi & Legionella	
Crime Coverage	50,000	Inside/Outside	1,000
Blanket Dishonesty Bond	500,000		1,000
Boiler and Machinery	100,000,000		
Excess Liability	10,000,000		
School Board Legal Liability	10,000,000		5,000
Workers' Compensation	Statutory		
Employer's Liability	2,000,000		
Supplemental Indemnity	Statutory		
Student Accident Insurance	Voluntary offer only		
Selective Insurance:			
Public Official Bond - School Business Administrator	250,000		
Public Official Bond - Treasurer	250,000		

Source: Byram Township School District Records.

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, 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 (the "District") as of and for the fiscal year ended June 30, 2017, 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 7, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

The Honorable President and Members
of the Board of Education
Byram Township School District
Page 2

Compliance and Other Matters

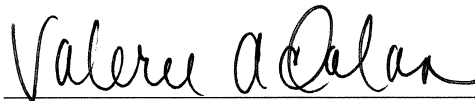
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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

September 7, 2017
Mount Arlington, New Jersey

NISIVOCCA LLP



Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

Report on Compliance For Each Major State Program;
Report on Internal Control Over Compliance

Independent Auditors' Report

The 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 Byram Township School District's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2017. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District'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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's 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 District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit 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 District's compliance.

The Honorable President and Members
of the Board of Education
Byram Township School District
Page 2

Opinion on Each Major State Program

In our opinion, the District 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 fiscal year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the District 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 District's internal control over compliance with the types 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 NJOMB 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 District'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 federal or 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 federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

September 7, 2017
Mount Arlington, New Jersey

NISIVOCIA LLP



Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

BYRAM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass Through Grantor/Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2016			Balance at June 30, 2017		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
U.S. Department of Education Passed-through State Department of Education:										
Special Revenue Fund:										
Special Education Cluster:										
IDEA Combined Grant:										
I.D.E.A. Part B, Basic	84.027	IDEA0640-17	7/1/16-6/30/17	\$ 181,625			\$ 180,490	\$ (180,490)		
I.D.E.A. Part B, Preschool	84.173	IDEA0640-17	7/1/16-6/30/17	10,356			10,356	(10,356)		
Total Special Education Cluster							190,846	(190,846)		
No Child Left Behind Consolidated Grant:										
Title I	84.010A	NCLB0640-17	7/1/16-6/30/17	62,631			36,664	(54,425)	\$ (17,761)	
Title I- Carryover	84.010A	NCLB0640-16	7/1/15-6/30/16	59,691	\$ (8,198)		8,198			
Title II, Part A	84.367A	NCLB0640-17	7/1/16-6/30/17	13,887			11,615	(13,230)	(1,615)	
Title II, Part A- Carryover	84.367A	NCLB0640-16	7/1/15-6/30/16	13,529			9,482		\$ 6,600	
Total Special Revenue Fund					(11,080)		256,805	(258,501)	(19,376)	6,600
Total U.S. Department of Education					(11,080)		256,805	(258,501)	(19,376)	6,600
U.S. Department of Agriculture:										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
U.S.D.A Commodities Program	10.555	N/A	7/1/16-6/30/17	17,700			17,700	(14,591)		\$ 3,109
U.S.D.A Commodities Program	10.555	N/A	7/1/15-6/30/16	16,639		\$ 3,202		(3,202)		
National School Lunch Program	10.555	N/A	7/1/16-6/30/17	35,718			32,841	(35,718)	(2,877)	
National School Lunch Program	10.555	N/A	7/1/15-6/30/16	30,499			1,816			
Total U.S. Department of Agriculture/Child Nutrition Cluster					(1,816)		52,357	(53,511)	(2,877)	3,109
Total Federal Awards					\$ (12,896)	\$ 3,202	\$ 309,162	\$ (312,012)	\$ (22,253)	\$ 3,109
										\$ - 0 -
										\$ 6,600
										\$ - 0 -

N/A - Not Applicable / Available

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

BYRAM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2016		Cash Received	Budgetary Expenditures	Restatement/ Cancellation of Prior Years' Receivables	Balance at June 30, 2017		MEMO		
				Budgetary					GAAP	Due to Grantor	Accounts Receivable	Accounts Receivable	Cumulative Total Expenditures
				Accounts Receivable	Expenditures								
New Jersey Department of Education													
General Fund:													
Equalization Aid	17-495-034-5120-078	7/1/16 - 6/30/17	\$ 2,512,278	\$ 2,265,738	\$ (2,512,278)				\$ (246,540)	\$ 2,512,278	\$ (246,540)	\$ 2,512,278	
School Choice Aid	17-495-034-5120-068	7/1/16 - 6/30/17	326,469	294,432	(326,469)				(32,037)	326,469	(32,037)	326,469	
Special Education Categorical Aid	17-495-034-5120-089	7/1/16 - 6/30/17	542,873	489,599	(542,873)				(53,274)	542,873	(53,274)	542,873	
Security Aid	17-495-034-5120-084	7/1/16 - 6/30/17	70,573	63,647	(70,573)				(6,926)	70,573	(6,926)	70,573	
PARCC Readiness Aid	17-495-034-5120-098	7/1/16 - 6/30/17	8,395	7,571	(8,395)				(824)	8,395	(824)	8,395	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16 - 6/30/17	8,395	7,571	(8,395)				(824)	8,395	(824)	8,395	
Professional Learning Community Aid	17-495-034-5120-101	7/1/16 - 6/30/17	8,530	7,693	(8,530)				(837)	8,530	(837)	8,530	
Transportation Aid	17-495-034-5120-014	7/1/16 - 6/30/17	325,211	293,297	(325,211)				(31,914)	325,211	(31,914)	325,211	
Nonpublic Transportation	17-495-034-5120-014	7/1/16 - 6/30/17	1,044		(1,044)				(1,044)	1,044	(1,044)	1,044	
Extraordinary Special Education Aid	17-100-034-5120-473	7/1/16 - 6/30/17	90,071		(90,071)				(90,071)	90,071	(90,071)	90,071	
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16 - 6/30/17	506,006	506,006	(506,006)					506,006		506,006	
On-Behalf TPAF Post Retirement Contributions	17-495-034-5094-001	7/1/16 - 6/30/17	595,689	595,689	(595,689)					595,689		595,689	
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	7/1/16 - 6/30/17	689,920	689,920	(689,920)					689,920		689,920	
On-Behalf TPAF Non-Contributory Insurance	17-495-034-5094-004	7/1/16 - 6/30/17	24,997	24,997	(24,997)					24,997		24,997	
On-Behalf TPAF Long-Term Disability Insurance	17-495-034-5094-004	7/1/16 - 6/30/17	2,334	2,334	(2,334)					2,334		2,334	
Equalization Aid	16-495-034-5120-078	7/1/15 - 6/30/16	2,512,278	\$ (246,526)	\$ 2,512,278							2,512,278	
School Choice Aid	16-495-034-5120-068	7/1/15 - 6/30/16	326,469	32,036	(32,036)							326,469	
Special Education Categorical Aid	16-495-034-5120-089	7/1/15 - 6/30/16	542,873	53,271	(53,271)							542,873	
Security Aid	16-495-034-5120-084	7/1/15 - 6/30/16	70,573	6,925	(6,925)							70,573	
PARCC Readiness Aid	16-495-034-5120-098	7/1/15 - 6/30/16	8,395	824	(824)							8,395	
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15 - 6/30/16	8,395	824	(824)							8,395	
Extraordinary Aid	16-100-034-5120-473	7/1/15 - 6/30/16	106,924	106,924	(106,924)							106,924	
Transportation Aid	16-495-034-5120-014	7/1/15 - 6/30/16	325,211	31,912	(31,912)							325,211	
Nonpublic Transportation	16-495-034-5120-014	7/1/15 - 6/30/16	2,956	2,956	(2,956)							2,956	
Total General Fund State Aid				5,730,692	(5,712,785)				(91,115)		(464,291)	9,616,859	

BYRAM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Project Number	Grant or State Period	Award Amount	Balance at June 30, 2016		Adjustment of Prior Years' Receivables	Balance at June 30, 2017		MEMO	
				Budgetary Accounts Receivable	Cash Received		GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
Capital Projects Fund:										
Schools Development Authority:										
Educational Facilities Construction & Financing Act:										
Byram Intermediate School	0640-030-13-2001									
Roof Replacement	G4 Roof	1/16/14-6/30/18	\$ 356,294	\$ (41,049)		\$ (5,410)		\$ (46,459)	\$ 309,835	
Enterprise Fund:										
State School Lunch Program	17-100-010-3350-023	7/1/16 - 6/30/17	1,796		\$ 1,649		\$ (147)		1,796	
State School Lunch Program	16-100-010-3350-023	7/1/15 - 6/30/16	1,810	(104)	104				1,810	
Total Enterprise Fund				(104)	1,753		(147)		3,606	
Total State Awards Subject to Single Audit Determination				\$ (523,351)	\$ 5,732,445	\$ (5,410)	\$ (91,262)	\$ -0-	\$ (510,897)	\$ 9,930,300
Less: State Awards Not Subject to Single Audit Major Program Determination										
On-Behalf TPAF Pension System Contributions:										
On-Behalf TPAF Post Retirement Contributions	17-495-034-5094-001	7/1/16-6/30/17	(595,689)		\$ 595,689					
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	7/1/16-6/30/17	(689,920)		689,920					
On-Behalf TPAF Non-Contributory Insurance	17-495-034-5094-004	7/1/16-6/30/17	(24,997)		24,997					
On-Behalf TPAF Long-Term Disability Insurance	17-495-034-5094-004	7/1/16-6/30/17	(2,334)		2,334					
Subtotal - On-Behalf TPAF Pension System Contributions					1,312,940					
Total State Awards Subject to Single Audit Major Program Determination					\$ (4,401,641)					

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include the federal and state grant activity of the Byram Township School District Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2017. The information in these schedules is presented in accordance with 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 New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the accompanying schedules of expenditures of federal and state awards are reported 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 Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$858) for the General Fund and (\$39,618) for the Capital Projects Fund. See Exhibit C-3 and Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General, Special Revenue Funds and Capital Projects Fund, respectively.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

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

	Federal	State	Total
General Fund		\$ 5,711,927	\$ 5,711,927
Special Revenue Fund	\$ 258,501		258,501
Capital Projects Fund		(39,618)	(39,618)
Food Service Fund	53,511	1,796	55,307
Total Awards	\$ 312,012	\$ 5,674,105	\$ 5,986,117

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers’ share of social security contributions for TPAF members for the fiscal year ended June 30, 2017.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA) GRANT

The District has an active grant awarded in the amount of \$395,912 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2017, there were change orders which decreased the grant award to \$356,294. As of June 30, 2017, \$356,294 of the grant funds have been expended and \$309,835 have been drawn down and received. As of June 30, 2017, there is a \$46,459 receivable which is recognized on a budgetary basis not on a GAAP basis. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures reported under the NJSDA on the Schedule of Expenditures of State Awards represent reimbursement requests submitted to the NJSDA.

BYRAM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in *the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2017 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following state aid:

<u>State Aid Public</u>	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Equalization Aid	17-495-034-5120-078	7/1/16 - 6/30/17	\$ 2,512,278	\$ 2,512,278
School Choice Aid	17-495-034-5120-068	7/1/16 - 6/30/17	326,469	326,469
Special Education Categorical Aid	17-495-034-5120-089	7/1/16 - 6/30/17	542,873	542,873
Security Aid	17-495-034-5120-084	7/1/16 - 6/30/17	70,573	70,573
PARCC Readiness Aid	17-495-034-5120-098	7/1/16 - 6/30/17	8,395	8,395
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16 - 6/30/17	8,395	8,395
Professional Learning Community Aid	17-495-034-5120-101	7/1/16 - 6/30/17	8,530	8,530

- The threshold for distinguishing Type A and Type B state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for state programs.

BYRAM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any finding or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance or NJOMB 15-08.

BYRAM TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Status of Prior Year Findings:

There were no prior year audit findings.