

**BYRAM TOWNSHIP
SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018**

**Comprehensive Annual
Financial Report**

of the

BYRAM TOWNSHIP SCHOOL DISTRICT

Byram, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

**Byram Township Board of Education
Finance Department**

BYRAM TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION

TOWNSHIP OF BYRAM BOARD OF EDUCATION

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January 18, 2019

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, 2018. 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 is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the 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

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

The District completed the 20117-18 fiscal year with an average daily enrollment of 844 students, which is 25 students less than the previous year’s average daily enrollment. The District’s average daily reenrollments for the past ten years are presented below:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	
	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-18	844	-2.87%
2016-17	869	-1.25%
2015-16	880	-2.98%
2014-15	907	2.49%
2013-14	885	-7.62%
2012-13	958	-7.35%
2011-12	1,034	0%
2010-11	1,032	-4.71%
2009-10	1,083	-3.60%
2008-09	1,122	-4.46%

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. With the passage of Senate bill S-2, the district is projected to lose approximately \$1.8 million in State aid over the next seven years if enrollment does not increase. This number could increase if enrollment continues to decline. The district has 34 Choice students and receives over \$300,000 in additional State 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, a quality school system.

Educational Programs

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 2 - 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. Obviously staffing plays the largest part of this balance so much attention continues to be given to this area. Student achievement and academic growth is constantly an ongoing goal of the district while we continue to develop and enhance instructional strategies through professional development of our staff to support student achievement. 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 opportunities. 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 that demonstrate student growth are administered to students at least three times per year. The program has been implemented at the intermediate school level and will continue to be utilized at the elementary level again this coming school year. In conjunction with this program, the district is in its fourth year in its 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 continued to develop their instructional strategies and delivery of this series and will continue to discover all that the program makes available to them and their students through a deeper understanding of the series and appropriate professional development. This series also integrates a technology component that ties in 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 positive educational impacts these new programs 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 long term growth in all academic areas as a result of these programs and the sustained positive development of full day kindergarten.

Chromebooks continue to be an essential instructional tool for our students in grades 2-8 as we maintain our one to one Chromebook program. Chromebooks 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. Interactive televisions are also an option to replace failing SMARTboards moving forward. 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 continues to offer 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 roof on the area of Byram Intermediate School known as 'open space' was replaced. The area continues to be a focus of future facilities projects as tentative plans are being considered to repurpose the space for instructional or office space or a combination of the two.

Financial Information

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

As a recipient of federal 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.

In addition to internal accounting controls, the District maintains budgetary controls. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The original budget, budget transfers during the year, and final budget amount for the fiscal year are reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriated balances reported as restrictions, commitments, and assignments of fund balance at fiscal *year end*.

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.

Independent Audit

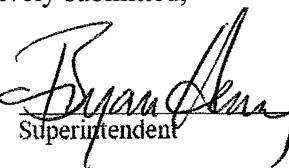
State statutes require an annual audit by independent certified public accountants. The accounting firm of Nisivoccia LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of Title 2 U.S. Code of 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.

Respectively submitted,

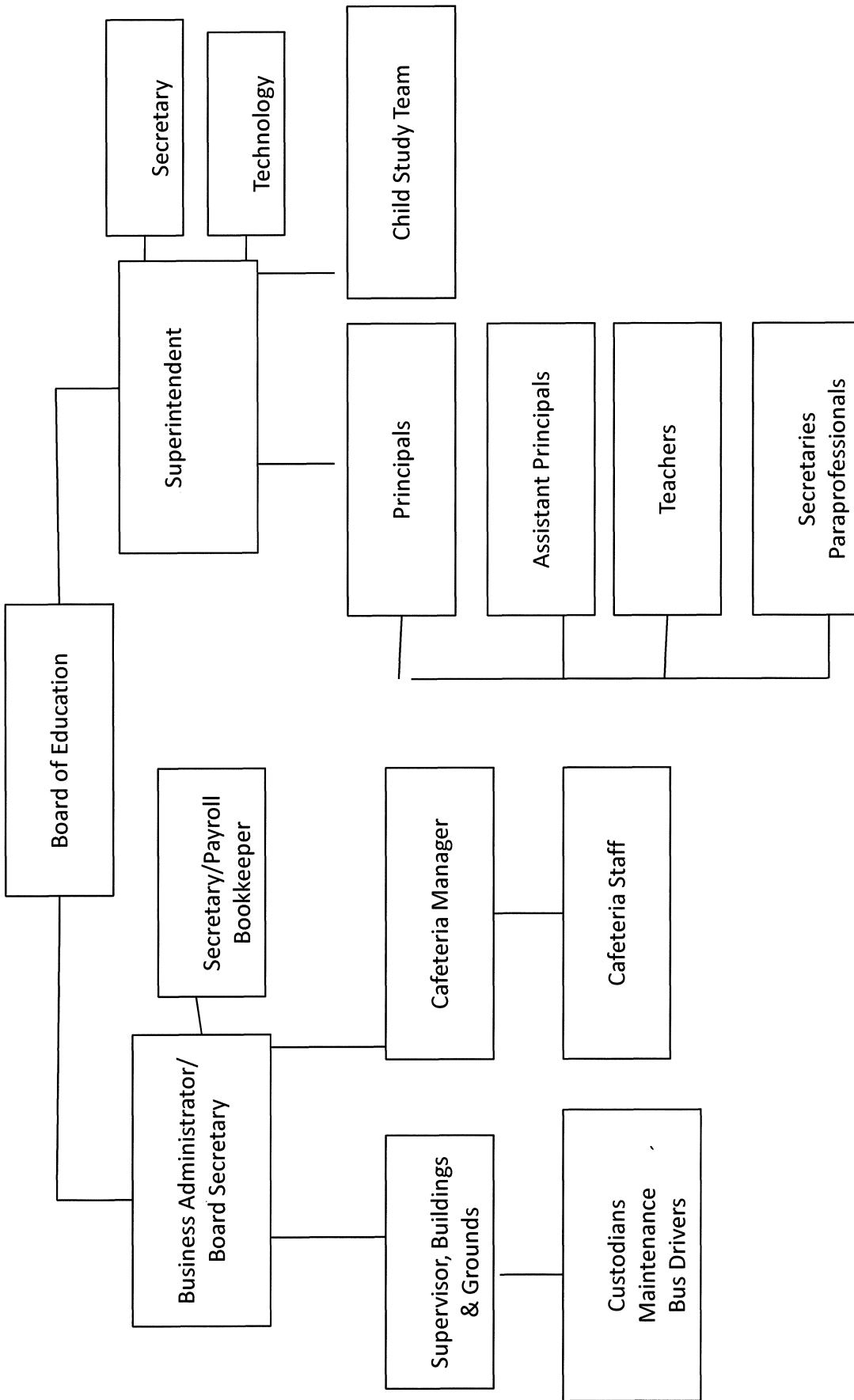
Signed:
Title:


Superintendent

Signed:
Title:


Business Administrator

Byram Township Board of Education Organizational Chart/Chain of Command



**BYRAM TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2018**

<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	2020
MaryAnn Risley	Member	2020
Lori Sanchez	Member	2020

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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Insurance Agent

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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, 2018, 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, 2018, 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.

Emphasis of Matter

As discussed in Note 17 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during the fiscal year ended June 30, 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and postemployment benefit schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, 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 Honorable President and Members
of the Board of Education
Byram Township School District
Page 3

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 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 January 18, 2019 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.

January 18, 2019
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, 2018
(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, 2018. 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 \$21.90 million.
- Overall expenses were \$21.20 million.

Overview of the Financial Statements

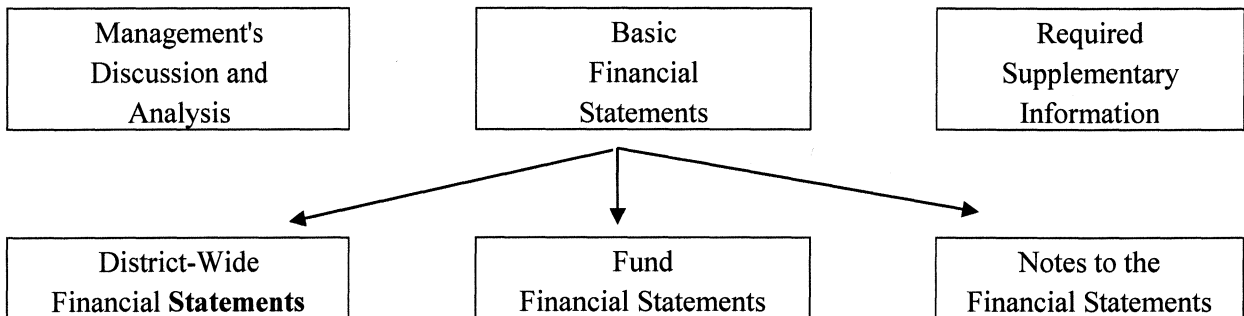
This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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, 2018
(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, 2018
(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, 2018
(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, 2018 increased \$700,162 from the previous year. The net position from governmental activities increased \$707,360 and the net position from business-type activities decreased \$7,198. The net investment in capital assets increased by \$56,037, due to capital asset additions of \$136,677, redemption of outstanding debt of \$695,000, offset by depreciation expense of \$774,186 and capital asset deletions of \$1,454. Restricted net position decreased by \$62,808 due to an increase in maintenance reserve of \$50,000 and an increase in the debt service fund of \$192, offset by a decrease in the capital reserve of \$113,000. Unrestricted net position increased by \$709,132, mainly due to a decrease in net pension liability, deferred inflows and outflows related to pensions and an increase in encumbrances.

**Figure A-3
Condensed Statement of Net Position**

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	
Current and Other Assets	\$ 4,083,937	\$ 3,373,283	\$ 46,593	\$ 46,763	\$ 4,130,530	\$ 3,420,046	
Capital Assets, Net	13,906,967	14,542,608	16,155	19,477	13,923,122	14,562,085	
Total Assets	17,990,904	17,915,891	62,748	66,240	18,053,652	17,982,131	0.40%
Deferred Outflows of Resources	958,620	1,346,347			958,620	1,346,347	-28.80%
Other Liabilities	340,339	328,239	26,009	22,303	366,348	350,542	
Long-Term Liabilities	5,772,068	7,496,959			5,772,068	7,496,959	
Total Liabilities	6,112,407	7,825,198	26,009	22,303	6,138,416	7,847,501	-21.78%
Deferred Inflows of Resources	858,638	165,921			858,638	165,921	417.50%
Net Position:							
Net Investment in							
Capital Assets	11,741,967	11,682,608	16,155	19,477	11,758,122	11,702,085	
Restricted	2,925,316	2,988,124			2,925,316	2,988,124	
Unrestricted / (Deficit)	(2,688,804)	(3,399,613)	20,584	24,460	(2,668,220)	(3,375,153)	
Total Net Position	\$ 11,978,479	\$ 11,271,119	\$ 36,739	\$ 43,937	\$ 12,015,218	\$ 11,315,056	6.19%

**Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2018
(Unaudited)**

**Figure A-4
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District	
	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017
Revenue:						
Program Revenue:						
Charges for Services			\$ 166,233	\$ 165,243	\$ 166,233	\$ 165,243
Operating Grants & Contributions	\$ 6,820,704	\$ 6,123,576	58,586	55,307	6,879,290	6,178,883
Capital Grants & Contributions		(39,618)				(39,618)
General Revenue:						
Property Taxes	11,810,578	11,773,011			11,810,578	11,773,011
Tuition	34,500	83,512			34,500	83,512
Unrestricted Federal & State Aid	2,943,550	2,933,786			2,943,550	2,933,786
Other	65,345	113,988	4	2,445	65,349	116,433
Total Revenue	21,674,677	20,988,255	224,823	222,995	21,899,500	21,211,250
Expenses:						
Instruction	12,719,044	12,013,564			12,719,044	12,013,564
Pupil & Instruction Services	3,352,845	3,354,074			3,352,845	3,354,074
Administrative & Business	1,934,388	1,888,914			1,934,388	1,888,914
Maintenance & Operations	1,659,664	1,529,067			1,659,664	1,529,067
Transportation	576,791	618,872			576,791	618,872
Other	714,799	1,051,652	241,807	248,444	956,606	1,300,096
Total Expenses	20,957,531	20,456,143	241,807	248,444	21,199,338	20,704,587
Transfers	(9,786)		9,786			
Change in Net Position	\$ 707,360	\$ 532,112	\$ (7,198)	\$ (25,449)	\$ 700,162	\$ 506,663

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, 2018
(Unaudited)**

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial obligation placed on the District's taxpayers by each of these functions:

**Figure A-5
Net Cost of Governmental Activities**

	<u>Total Costs of Services</u>		<u>Net Cost of Services</u>	
	<u>2017/2018</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2016/2017</u>
Instruction	\$ 12,719,044	\$ 12,013,564	\$ 7,792,035	\$ 7,616,001
Pupil and Instruction Services	3,352,845	3,354,074	2,470,292	2,513,936
Administrative and Business	1,934,388	1,888,914	1,440,348	1,439,972
Maintenance and Operations	1,659,664	1,529,067	1,456,553	1,351,069
Transportation	576,791	618,872	228,300	276,425
Other	714,799	1,051,652	714,799	1,091,270
	<u>\$ 20,957,531</u>	<u>\$ 20,456,143</u>	<u>\$ 14,102,327</u>	<u>\$ 14,288,673</u>

Business-Type Activities

Net position from the District's business-type activity decreased by \$7,198.

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.

**Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2018
(Unaudited)**

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 \$13,923,122 in capital assets as shown in Figure A-6. Capital Assets had a net decrease of \$638,963 or 4.39% less than the prior year. The District had \$136,677 of additions offset by \$774,186 of depreciation expense, and \$1,454 of deletions.

**Figure A-6
Capital Assets (Net of Depreciation)**

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	
Land	\$ 2,136,587	\$ 2,136,587			\$ 2,136,587	\$ 2,136,587	
Construction in Progress	57,500	57,500			57,500	57,500	
Site Improvements	878,797	962,570			878,797	962,570	
Buildings and Building Improvements	10,241,368	\$ 10,634,330			10,241,368	10,634,330	
Machinery and Equipment	592,715	751,621	\$ 16,155	\$ 19,477	608,870	771,098	
Total Capital Assets (Net of Depreciation)	\$ 13,906,967	\$ 14,542,608	\$ 16,155	\$ 19,477	\$ 13,923,122	\$ 14,562,085	-4.39%

Long-term Liabilities

At year-end, the District had \$2,165,000 in general obligation bonds outstanding as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

**Figure A-7
Outstanding Long-Term Debt**

	Total School District		Percentage Change
	2017/2018	2016/2017	
General Obligation Bonds (Financed with Property Taxes)	\$ 2,165,000	\$ 2,860,000	
Net Pension Liability	3,320,664	4,341,527	
Early Retirement Incentive Program Payable	73,232	94,020	
Compensated Absences	213,172	201,412	
	\$ 5,772,068	\$ 7,496,959	-23.01%

**Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2018
(Unaudited)**

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:

- Loss of State Aid over the next 7 years of approximately \$1.8 million
- Rising costs and increased need for professional related services
- Increasing health benefit costs
- Unfunded state mandates

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, 2018

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,017,191	\$ 35,526	\$ 1,052,717
Interfund Receivable	961		961
Receivable from State Government	70,283	274	70,557
Receivable from Federal Government	69,051	4,409	73,460
Receivables from Other Governments	1,695		1,695
Inventories		6,384	6,384
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	2,774,756		2,774,756
Maintenance Reserve Account - Cash and Cash Equivalents	150,000		150,000
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	11,712,880	16,155	11,729,035
Total Assets	<u>17,990,904</u>	<u>62,748</u>	<u>18,053,652</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflow Related to Pensions	958,620		958,620
Total Deferred Outflows of Resources	<u>958,620</u>		<u>958,620</u>
LIABILITIES			
Accrued Interest Payable	10,672		10,672
Accounts Payable - Vendors	322,167	18,478	340,645
Unearned Revenue	7,500	7,531	15,031
Noncurrent Liabilities:			
Due Within One Year	727,503		727,503
Due Beyond One Year	5,044,565		5,044,565
Total Liabilities	<u>6,112,407</u>	<u>26,009</u>	<u>6,138,416</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to Pensions	858,638		858,638
Total Deferred Inflows of Resources	<u>858,638</u>		<u>858,638</u>
NET POSITION			
Net Investment in Capital Assets	11,741,967	16,155	11,758,122
Restricted for:			
Debt Service	560		560
Capital Projects	2,774,756		2,774,756
Maintenance	150,000		150,000
Unrestricted (Deficit)	<u>(2,688,804)</u>	<u>20,584</u>	<u>(2,668,220)</u>
Total Net Position	<u>\$ 11,978,479</u>	<u>\$ 36,739</u>	<u>\$ 12,015,218</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, 2018

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				
Governmental Activities:							
Instruction:							
Regular	\$ 8,522,315	\$	2,803,488	\$	(5,718,827)	\$	(5,718,827)
Special Education	3,367,044		1,853,137		(1,513,907)		(1,513,907)
Other Special Instruction	408,542		270,383		(138,159)		(138,159)
School-Sponsored/Other Instruction	421,143				(421,143)		(421,143)
Support Services:							
Tuition	190,843	\$ 34,500			(156,343)		(156,343)
Student & Instruction Related Services	3,162,002		848,052		(2,313,950)		(2,313,950)
General Administrative Services	570,613		134,216		(436,397)		(436,397)
School Administrative Services	845,073		240,674		(604,399)		(604,399)
Central Services	441,440		119,152		(322,288)		(322,288)
Administrative Information Technology	77,262				(77,262)		(77,262)
Plant Operations and Maintenance	1,659,664		203,111		(1,456,553)		(1,456,553)
Pupil Transportation	576,791		348,491		(228,300)		(228,300)
Capital Outlay	112,973				(112,973)		(112,973)
Unallocated Depreciation	421,431				(421,431)		(421,431)
Transfer to Charter School	135,678				(135,678)		(135,678)
Interest on Long-Term Debt	44,717				(44,717)		(44,717)
Total Governmental Activities	20,957,531	34,500	6,820,704		(14,102,327)		(14,102,327)

BYRAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:						
Food Service	\$ 241,807	\$ 166,233	\$ 58,586		\$ (16,988)	\$ (16,988)
Total Business-Type Activities	241,807	166,233	58,586		(16,988)	(16,988)
Total Primary Government	\$ 21,199,338	\$ 200,733	\$ 6,879,290	\$ (14,102,327)	(16,988)	(14,119,315)
General Revenue and Transfers:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 11,067,244		\$ 11,067,244
Taxes Levied for Debt Service				743,334		743,334
Federal and State Aid not Restricted				2,943,550		2,943,550
Interest					\$ 4	4
Miscellaneous Income				65,345		65,345
Transfers				(9,786)	9,786	
Total General Revenue and Transfers				14,809,687	9,790	14,819,477
Change in Net Position				707,360	(7,198)	700,162
Net Position - Beginning				11,271,119	43,937	11,315,056
Net Position - Ending				\$ 11,978,479	\$ 36,739	\$ 12,015,218

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, 2018

	<u>General</u>	<u>Special</u>	<u>Capital</u>	<u>Debt</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Projects</u>	<u>Service</u>	<u>Governmental</u>
		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 959,131		\$ 57,500	\$ 560	\$ 1,017,191
Interfund Receivable	58,321				58,321
Receivables From Federal Government		\$ 69,051			69,051
Receivables From State Government	70,283				70,283
Other Receivables	1,695				1,695
Restricted Cash and Cash Equivalents	2,924,756				2,924,756
Total Assets	<u>\$ 4,014,186</u>	<u>\$ 69,051</u>	<u>\$ 57,500</u>	<u>\$ 560</u>	<u>\$ 4,141,297</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable - Vendors	\$ 110,476	\$ 4,191	\$ 57,500		\$ 172,167
Interfund Payable		57,360			57,360
Unearned Revenue		7,500			7,500
Total Liabilities	<u>110,476</u>	<u>69,051</u>	<u>57,500</u>		<u>237,027</u>
Fund Balances:					
Restricted:					
Capital Reserve Account	2,774,756				2,774,756
Maintenance Reserve Account	150,000				150,000
Debt Service Fund				\$ 560	560
Assigned:					
Year End Encumbrances	978,954				978,954
Total Fund Balances	<u>3,903,710</u>			<u>560</u>	<u>3,904,270</u>
Total Liabilities and Fund Balances	<u>\$ 4,014,186</u>	<u>\$ 69,051</u>	<u>\$ 57,500</u>	<u>\$ 560</u>	<u>\$ 4,141,297</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018
(Continued)

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

Total Fund Balances - Governmental Funds (Above)	\$ 3,904,270
Capital assets used in Governmental Activities are not financial resources and are not reported in the Funds.	13,906,967
Interest on long-term debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(10,672)
Long-Term Liabilities are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(2,451,404)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(3,320,664)
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	808,620
Deferred Inflows	<u>(858,638)</u>
Net Position of Governmental Activities	<u>\$ 11,978,479</u>

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, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 11,067,244			\$ 743,334	\$ 11,810,578
Tuition - Other Sources	34,500				34,500
Rents and Royalties	16,348				16,348
Miscellaneous	48,997	\$ 7,468			56,465
Total - Local Sources	11,167,089	7,468		743,334	11,917,891
State Sources	6,046,999				6,046,999
Federal Sources		264,213			264,213
Total Revenue	17,214,088	271,681		743,334	18,229,103

EXPENDITURES:

Current:

Regular Instruction	4,198,153	81,921			4,280,074
Special Education Instruction	1,644,789	189,760			1,834,549
Other Special Instruction	405,371				405,371
School Sponsored/Other Instruction	20,832				20,832
Support Services and Undistributed Costs:					
Tuition	190,843				190,843
Student & Instruction Related Services	1,893,465				1,893,465
General Administrative Services	368,246				368,246
School Administrative Services	467,300				467,300
Central Services	253,000				253,000

BYRAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Support Services and Undistributed Costs:					
Administrative Information Technology	\$ 67,551				\$ 67,551
Plant Operations and Maintenance	1,240,168				1,240,168
Pupil Transportation	531,654				531,654
Unallocated Benefits	4,849,905				4,849,905
Capital Outlay	238,410				238,410
Transfer of Funds to Charter Schools	135,678				135,678
Debt Service:					
Principal				\$ 695,000	695,000
Interest and Other Charges				48,142	48,142
Total Expenditures	<u>16,505,365</u>	<u>\$ 271,681</u>		<u>743,142</u>	<u>17,520,188</u>
Excess/(Deficit) of Revenue over/(under) Expenditures	708,723			192	708,915
OTHER FINANCING SOURCES (USES):					
Transfers	16,706		\$ (26,492)		(9,786)
Total Other Financing Sources (Uses)	<u>16,706</u>		<u>(26,492)</u>		<u>(9,786)</u>
Net Change in Fund Balances	725,429		(26,492)	192	699,129
Fund Balance - July 1	<u>3,178,281</u>		<u>26,492</u>	<u>368</u>	<u>3,205,141</u>
Fund Balance - June 30	<u>\$ 3,903,710</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 560</u>	<u>\$ 3,904,270</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, 2018

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 (+)

\$ (11,760)

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. (+)

3,425

Change in Net Position (Exhibit A-2)

\$ 707,360

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, 2018

	Business-type Activities - Enterprise Funds Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 35,526
Intergovernmental Accounts Receivable:	
Federal	4,409
State	274
Inventories	6,384
Total Current Assets	46,593
Non-Current Assets:	
Capital Assets	334,308
Less: Accumulated Depreciation	(318,153)
Total Non-Current Assets	16,155
Total Assets	62,748
 LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	18,478
Unearned Revenue - Donated Commodities	3,100
Unearned Revenue - Prepaid Sales	4,431
Total Current Liabilities	26,009
 NET POSITION:	
Investment in Capital Assets	16,155
Unrestricted	20,584
Total Net Position	\$ 36,739

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, 2018

	Business-type Activities - Enterprise Funds <u>Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 103,895
Daily Sales - Non-Reimbursable Programs	58,162
Special Events	4,176
Total Operating Revenue	<u>166,233</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	73,484
Cost of Sales - Non-Reimbursable Programs	31,835
Salaries, Benefits and Payroll Taxes	88,880
Supplies and Other Costs	24,200
Management Fee	10,300
Depreciation Expense	13,108
Total Operating Expenses	<u>241,807</u>
Operating Loss	<u>(75,574)</u>
Non-Operating Income:	
Local Sources:	
Interest Income	4
State Sources:	
State School Lunch Program	2,232
Federal Sources:	
National School Lunch Program	37,705
Food Distribution Program	18,649
Total Non-Operating Income	<u>58,590</u>
Change in Net Position before Transfers	(16,984)
Transfers:	
Transfers In - General Fund - Capital Contribution	<u>9,786</u>
Change in Net Position After Transfers	(7,198)
Net Position - Beginning of Year	<u>43,937</u>
Net Position - End of Year	<u>\$ 36,739</u>

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, 2018

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 165,210
Payments to Employees	(88,880)
Payments to Food Service Vendor	(90,860)
Payments to Suppliers	(24,632)
Net Cash Used for Operating Activities	<u>(39,162)</u>
Cash Flows from Noncapital Financing Activities:	
Local Sources:	
Interest Income	4
State Sources:	
State School Lunch Program	2,105
Federal Sources:	
National School Lunch Program	36,173
Transfer In - General Fund	4,972
Net Cash Provided by Noncapital Financing Activities	<u>43,254</u>
Net Increase in Cash and Cash Equivalents	4,092
Cash and Cash Equivalents, July 1	<u>31,434</u>
Cash and Cash Equivalents, June 30	<u>\$ 35,526</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:	
Operating Loss	\$ (75,574)
Adjustment to Reconcile Operating Loss to Cash Provided by (Used for) Operating Activities:	
Depreciation	13,108
Food Distribution Program	18,649
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventories	949
Increase/(Decrease) in Unearned - Donated Commodities	(9)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	(1,023)
Increase/(Decrease) in Accounts Payable	4,738
Net Cash Provided by (Used for) Operating Activities	<u>\$ (39,162)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received commodities valued at \$18,640 and utilized commodities valued at \$18,649 from the Federal Food Distribution Program for the fiscal year ended June 30, 2018.

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, 2018

	Agency	Unemployment Compensation Trust Fund
ASSETS:		
Cash and Cash Equivalents	\$ 209,826	\$ 84,002
Total Assets	209,826	84,002
LIABILITIES:		
Due to Student Groups	36,649	
Payroll Deductions and Withholdings	32,071	
Accrued Salaries and Wages	140,145	
Interfund Payable - General Fund	961	
Total Liabilities	209,826	
NET POSITION:		
Held in Trust for Unemployment		84,002
Total Net Position	\$ - 0 -	\$ 84,002

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, 2018

	<u>Unemployment Compensation Trust Fund</u>
Additions:	
Contributions:	
Plan Contributions	\$ 15,051
Board Contributions	<u>20,000</u>
Total Contributions	<u>35,051</u>
Investment Earnings:	
Interest	<u>6</u>
Net Investment Earnings	<u>6</u>
Total Additions	<u>35,057</u>
Deductions:	
Unemployment Claims	<u>17,564</u>
Total Deductions	<u>17,564</u>
Change in Net Position	17,493
Net Position - Beginning of the Year	<u>66,509</u>
Net Position - End of the Year	<u><u>\$ 84,002</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, 2018

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, 2018

(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, 2018
(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 Unemployment 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, 2018

(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, 2018 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	\$ 17,215,075	\$ 274,881
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		(3,200)
Prior Year State Aid Payments Recognized for GAAP Basis	373,176	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(374,163)	
Total Revenues as Reported on the Statement of Revenues,		
Expenditures & Changes in Fund Balances - Governmental Funds.	\$ 17,214,088	\$ 271,681

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(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	\$ 16,505,365	\$ 274,881
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(3,200)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, & Changes in Fund Balances - Governmental Funds	\$ 16,505,365	\$ 271,681
	Capital Projects Fund	
	Revenue	Fund Balance
Revenue/Comitted Fund Balance per Governmental Fund - Budgetary Basis	\$ -0-	\$ 46,459
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Receivable Not Recognized on GAAP Basis		(46,459)
Revenue/Fund Balance per Governmental Funds (GAAP)	\$ - 0 -	\$ - 0 -

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.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

E. Cash and Cash Equivalents: (Cont'd)

All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

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, 2018.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(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 acquisition value. 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 \$140,145 of accrued salaries and wages as of June 30, 2018.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(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 GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's 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 \$3,903,710 General Fund balance at June 30, 2018, \$2,774,756 is restricted in the capital reserve account and \$150,000 in the maintenance reserve account; \$978,954 is assigned for year-end encumbrances (which is \$17,075 less than encumbrances, on a Budgetary basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2019). Additionally, there is \$-0- of unassigned fund balance (which is \$357,088 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, 2019).

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2018 is \$560, which is restricted for debt service.

Capital Projects Fund: The Capital Projects Fund balance at June 30, 2018 of \$46,459 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, 2018.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(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 \$374,163 (\$357,088 in unassigned fund balance and \$17,075 in year end encumbrances), 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 \$2,688,804 in governmental activities, which is a result of \$10,672 of accrued interest payable, \$213,172 of compensated absences payable, early retirement incentive program payable of \$73,232, changes in proportion in pensions of \$192,091, changes in assumptions in pensions of \$666,547, and the net pension liability of \$3,320,664; net of the \$668,999 change in assumption for pensions, \$78,190 difference between expected and actual experience in pensions, net difference between projected and actual investment earnings for pensions of \$22,611, changes in proportion in pensions of \$38,820, and \$978,954 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, 2018 for pensions. The District had deferred inflows of resources at June 30, 2018 for pensions.

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, 2018
(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, 2018 of \$46,459.

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 \$978,954 for year-end encumbrances in the General Fund at June 30, 2018.

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, 2018

(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.

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.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

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

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;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

Investments (Cont'd):

- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

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

Investments (Cont'd):

As of June 30, 2018, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents</u>		<u>Total</u>
		<u>Capital Reserve Account</u>	<u>Maintenance Reserve Account</u>	
Checking Accounts	\$ 1,348,744	\$ 2,774,756	\$ 150,000	\$ 4,273,500

The carrying amount of the Board's cash and cash equivalents at June 30, 2018, was \$4,273,500 and the bank balance was \$4,861,610. During the fiscal year ended June 30, 2018, 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. 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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017		\$ 2,887,756	
Deposit by Board Resolution - June 27, 2018		\$ 634,341	
Return of unexpended balance from Capital Projects Fund		26,492	
Return of unexpended balance from Capital Outlay		<u>562,417</u>	
			<u>1,223,250</u>
Withdrawn by Board Resolution - Kitchen Air Conditioning and Locker Replacement		(11,250)	
Budget Withdrawal		<u>(1,325,000)</u>	
			<u>(1,336,250)</u>
Ending Balance, June 30, 2018			<u>\$ 2,774,756</u>

The balance in the capital reserve account at June 30, 2018 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.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

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.

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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$ 100,000
Transferred per Board Resolution - June 27, 2018	<u>50,000</u>
Ending Balance, June 30, 2018	<u><u>\$ 150,000</u></u>

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2018 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 2,136,587			\$ 2,136,587
Construction in Progress	57,500			57,500
Total Capital Assets Not Being Depreciated	<u>2,194,087</u>			<u>2,194,087</u>
Capital Assets Being Depreciated:				
Site Improvements	1,609,952			1,609,952
Buildings and Building Improvements	19,912,110	\$ 87,700		19,999,810
Machinery and Equipment	3,212,814	39,191	\$ (16,682)	3,235,323
Total Capital Assets Being Depreciated	<u>24,734,876</u>	<u>126,891</u>	<u>(16,682)</u>	<u>24,845,085</u>
Governmental Activities Capital Assets	<u>26,928,963</u>	<u>126,891</u>	<u>(16,682)</u>	<u>27,039,172</u>
Less Accumulated Depreciation for:				
Site Improvements	(647,382)	(83,773)		(731,155)
Buildings and Building Improvements	(9,277,780)	(479,597)	(1,065)	(9,758,442)
Machinery and Equipment	(2,461,193)	(197,708)	16,293	(2,642,608)
	<u>(12,386,355)</u>	<u>(761,078)</u>	<u>15,228</u>	<u>(13,132,205)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$14,542,608</u>	<u>\$ (634,187)</u>	<u>\$ (1,454)</u>	<u>\$13,906,967</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 324,522	\$ 9,786		\$ 334,308
Less Accumulated Depreciation	<u>(305,045)</u>	<u>(13,108)</u>		<u>(318,153)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 19,477</u>	<u>\$ (3,322)</u>	<u>\$ -0-</u>	<u>\$ 16,155</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 271,765
Special Education	1,026
General Administrative Services	397
School Administrative Services	1,192
Central Administrative Services	2,791
Admin Info Technology	9,711
Operation and Maintenance of Plant	45,837
Student Transportation Services	6,928
General/Unallocated	421,431
Total	<u>\$ 761,078</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2018, the following changes occurred in liabilities reported in the District-wide financial statements:

	<u>Beginning Balance</u>	<u>Accrued</u>	<u>Retired</u>	<u>Ending Balance</u>
Serial Bonds Payable	\$ 2,860,000		\$ 695,000	\$ 2,165,000
Compensated Absences Payable	201,412	\$ 29,050	17,290	213,172
Early Retirement Incentive Program Payable	94,020		20,788	73,232
Net Pension Liability	4,341,527		1,020,863	3,320,664
Total Long Term Liabilities	<u>\$ 7,496,959</u>	<u>\$ 29,050</u>	<u>\$ 1,753,941</u>	<u>\$ 5,772,068</u>

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, 2018 as follows:

<u>Serial Bonds</u>			
<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Refunding Bonds	03/15/21	1.69%	<u>\$ 2,165,000</u>
			<u>\$ 2,165,000</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2019	\$ 705,000	\$ 36,589	\$ 741,589
2020	720,000	24,674	744,674
2021	740,000	12,506	752,506
	<u>\$ 2,165,000</u>	<u>\$ 73,769</u>	<u>\$ 2,238,769</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

B. Bonds Authorized But Not Issued:

As of June 30, 2018, the Board had no bonds authorized but not issued.

C. 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 \$-0- and the long-term portion of compensated absences is \$213,172.

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, 2018, no liability existed for compensated absences in the Food Service Fund.

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

D. 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, 2018 is \$-0- and the long-term portion is \$3,320,664. See Note 9 for further information on the PERS.

E. Early Retirement Incentive Program:

The District's obligation for principal and interest payments under the Early Retirement Incentive Program (ERIP) for the Teachers' Pension and Annuity Fund (TPAF) pension system as of June 30, 2018 is as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 22,503	\$ 6,041	\$ 28,544
2020	24,360	4,184	28,544
2021	26,369	2,175	28,544
	<u>\$ 73,232</u>	<u>\$ 12,400</u>	<u>\$ 85,632</u>

NOTE 8. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2018, the District transferred \$158,742 to the Capital Outlay accounts for equipment which did not require County Superintendent approval. The District also transferred \$11,250 to facilities acquisition and construction services accounts for which County Superintendent approval was obtained.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(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.nj.gov/treasury/pensions/financial-reports.shtml.

Benefits Provided

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

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 \$148,524 for 2018.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

The employee contribution rate was 7.34% effective July 1, 2017. 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, 2018, the District's liability was \$3,320,664 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. 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, 2017, the District's proportion was 0.0142%, which was a decrease of 0.0004% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized actual pension expense in the amount of \$195,730. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 37,669	
	2015	5.72	158,674	
	2016	5.57	472,656	
	2017	5.48		\$ (666,547)
				<u>668,999</u>
Changes in Proportion	2014	6.44	38,820	
	2015	5.72		(112,872)
	2016	5.57		(9,024)
	2017	5.48		(70,195)
				<u>38,820</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00	(39,791)	
	2015	5.00	33,943	
	2016	5.00	142,324	
	2017	5.00	(113,865)	
				<u>22,611</u>
Difference Between Expected and Actual Experience	2015	5.72	44,023	
	2016	5.57	14,344	
	2017	5.48	19,823	
			<u>78,190</u>	
District Contribution Subsequent to the Measurement Date	2017	1.00	150,000	
			<u>\$ 958,620</u>	<u>\$ (858,638)</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

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
2018	\$ 78,172
2019	117,963
2020	71,480
2021	(95,068)
2022	(69,294)
	\$ 103,253

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.00%

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, 2016 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.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, 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, 2017 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	At 1% Decrease (4.00%)	At Current Discount Rate (5.00%)	At 1% Increase (6.00%)
District's proportionate share of the Net Pension Liability	\$ 4,119,509	\$ 3,320,664	\$ 2,655,127

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, 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:

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(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 2018, the State's pension contribution was less than the actuarial 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 2018, the State of New Jersey contributed \$975,024 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$2,968,708.

The employee contribution rate was 7.34% effective July 1, 2017. 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, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the State's proportionate share of the net pension liability associated with the District was \$42,854,009. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. 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, 2017, the District's proportion was 0.063%, which was a decrease of 0.001% from its proportion measured as of June 30, 2016.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(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)

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>42,854,009</u>
Total	<u>\$ 42,854,009</u>

For the fiscal year ended June 30, 2018, the State recognized pension expense on behalf of the District in the amount of \$2,968,708 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2018 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	\$ 1,383,974,317	
	2015	8.3	3,776,126,119	
	2016	8.3	8,218,154,928	
	2017	8.3		\$ 11,684,858,458
				<u>13,378,255,364</u>
Difference Between Expected and Actual Experience	2014	8.5		\$ 13,181,413
	2015	8.3	233,218,057	
	2016	8.3		102,199,790
	2017	8.3	207,898,332	
				<u>441,116,389</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5	(435,309,142)	
	2015	5	385,284,122	
	2016	5	1,295,565,574	
	2017	5	(904,033,050)	
				<u>341,507,504</u>
			<u>\$ 14,160,879,257</u>	<u>\$ 11,800,239,661</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(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
2018	\$ 740,341,056
2019	1,175,650,200
2020	983,008,137
2021	551,152,948
2022	624,850,883
Thereafter	(1,714,363,628)
	\$ 2,360,639,596

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

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, 2016 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, 2018

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(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 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 40% 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 2036. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2036, 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, 2017 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, 2017		
	At 1% Decrease (3.25%)	At Current Discount Rate (4.25%)	At 1% Increase (5.25%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 50,911,889	\$ 42,854,009	\$ 36,215,865

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, 2018

(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 \$8,512 for the fiscal year ended June 30, 2018. Employee contributions to DCRP amounted to \$18,015 for the year ended June 30, 2018.

NOTE 10. 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.

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.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

The June 30, 2018 audit was not available as of the date of this report; however, selected, summarized financial information for the Fund as of June 30, 2017 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 41,637,320
Net Position	\$ 10,127,373
Total Revenue	\$ 42,387,751
Total Expenses	\$ 41,723,393
Change in Net Position	\$ 664,358
Member Dividends	\$ -0-

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.

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>
2017-2018	\$ 6	\$ 35,051	\$ 17,564	\$ 84,002
2016-2017	6	35,199	40,742	66,509
2015-2016	4	60,432	43,416	72,046

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

NOTE 11. 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 12. 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 13. 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.

Encumbrances

At June 30, 2018, there were encumbrances as detailed below in the governmental funds:

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 996,029	\$ 3,200	\$ 999,229

On the District's Governmental Funds Balance Sheet as of June 30, 2018, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$3,200 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 13. CONTINGENT LIABILITIES (Cont'd)

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 14. 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 15. INTERFUND RECEIVABLE AND PAYABLE

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 58,321	
Special Revenue Fund		\$ 57,360
Fiduciary Funds		961
	\$ 58,321	\$ 58,321

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 payable to General Fund from the Payroll Agency Fund represents the ending balances in the Net Payroll account and interest earned in the Payroll Agency account.

NOTE 16. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental and Business-Type Activities as of June 30, 2018 consisted of the following:

	Governmental Funds			District Contribution	Total Governmental Activities	Business-Type Activities
	General Fund	Special Revenue Fund	Capital Projects Fund	Subsequent to the Measurement Date		Enterprise Funds
Vendors	\$ 110,476	\$ 4,191	\$ 57,500		\$ 172,167	\$ 18,478
State of New Jersey				\$ 150,000	150,000	
	\$ 110,476	\$ 4,191	\$ 57,500	\$ 150,000	\$ 322,167	\$ 18,478

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Statement No. 75, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

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

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

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

Employees Covered by Benefit Terms

At June 30, 2016, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	142,331
Active Plan Members	223,747
Total	366,078

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.55%	2.15 - 4.15%	2.10 - 8.98%
	based on years of service	based on age	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%	3.10 - 9.98%
	based on years of service	based on age	based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% and decreases to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in the State's Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2016	\$ 57,831,784,184
Changes for Year:	
Service Cost	2,391,878,884
Interest on the Total OPEB Liability	1,699,441,736
Changes of Assumptions	(7,086,599,129)
Gross Benefit Payments by the State	(1,242,412,566)
Contributions from Members	45,748,749
Net Changes	(4,191,942,326)
Balance at June 30, 2017	\$ 53,639,841,858

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
Total OPEB Liability Attributable to the District	\$ 41,623,994	\$ 35,064,418	\$ 29,861,300

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

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

	June 30, 2016		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
Total OPEB Liability Attributable to the District	\$ 45,398,145	\$ 37,894,274	\$ 31,987,766

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2017 and 2016, respectively, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 28,837,094	\$ 35,064,418	\$ 43,334,231

	June 30, 2016		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 31,093,307	\$ 37,894,274	\$ 46,986,519

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

For the fiscal year ended June 30, 2018 the District recognized OPEB expense of \$2,096,919 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

In accordance with GASB Statement 75, as the District's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2017 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption Changes		\$ (6,343,769,032)
Contributions Made in Fiscal Year Ending 2018 After June 30, 2017 Measurement Date	\$ 1,190,373,242	
	\$ 1,190,373,242	\$ (6,343,769,032)

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

Fiscal Year Ending June 30,	Total
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	(2,629,618,547)
	\$ (6,343,769,032)

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 FOUR 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%
			48.10%
			0.0142650013%
			3,320,664
			967,398
			343.26%

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 FOUR 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	<u>(131,595)</u>	<u>(126,636)</u>	<u>(140,156)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
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%
			15.46%

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 FOUR FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
	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%
			25.41%
			0.0635593330%
			\$ 42,854,009
			\$ 6,749,482

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 FOUR 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	(326,200)	(490,548)	(689,920)
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%
			14.45%
			<u>\$ 2,968,708</u>
			<u>(975,024)</u>
			<u>\$ 1,993,684</u>

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 CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Years Ending</u>	
	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Total OPEB Liability		
Service Cost	\$ 1,723,999,319	\$ 2,391,878,884
Interest Cost	1,823,643,792	1,699,441,736
Changes in Assumptions	8,611,513,521	(7,086,599,129)
Member Contributions	46,273,747	45,748,749
Gross Benefit Payments	<u>(1,223,298,019)</u>	<u>(1,242,412,566)</u>
Net Change in Total OPEB Liability	10,982,132,360	(4,191,942,326)
Total OPEB Liability - Beginning	<u>46,849,651,824</u>	<u>57,831,784,184</u>
Total OPEB Liability - Ending	<u>\$57,831,784,184</u>	<u>\$53,639,841,858</u>
State's Covered Employee Payroll *	\$13,493,400,208	\$13,493,400,208
Total OPEB Liability as a Percentage of Covered Employee Payroll	429%	398%

* - Covered payroll for the fiscal years ending June 30, 2016 and June 30, 2017 is based on the payroll on the June 30, 2016 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.98% as of June 30, 2016 to 5.00% as of June 30, 2017. The municipal bond rate changed from 2.85% to 3.58%. The long-term expected rate of return on pension plan investments changed from 7.65% to 7.00%.

The inflation rate changed from 3.08% as of June 30, 2016 to 2.25% as of June 30, 2017.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.22% as of June 30, 2016 to 4.25% as of June 30, 2017. The municipal bond rate changed from 2.85% to 3.58%. The long-term expected rate of return on pension plan investments changed from 7.65% to 7.00%.

The inflation rate changed from 2.50% as of June 30, 2016 to 2.25% as of June 30, 2017.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEN PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

BUDGETARY COMPARISON SCHEDULES

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
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	
Tuition From Individuals	60,000		60,000	34,500	\$ (25,500)
Rents and Royalties				16,348	16,348
Unrestricted Miscellaneous Revenues	14,000		14,000	48,997	34,997
Total - Local Sources	11,141,244		11,141,244	11,167,089	25,845
State Sources:					
School Choice Aid	336,362		336,362	336,362	
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				68,369	68,369
Nonpublic Transportation Aid				1,914	1,914
TPAF Pension Contribution (On-Behalf - Non-Budgeted)				975,024	975,024
TPAF Pension NCGI Premium (On-Behalf - Non-Budgeted)				23,661	23,661
TPAF Pension LTDI Premium (On-Behalf - Non-Budgeted)				1,916	1,916
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				645,029	645,029
TPAF Social Security (Reimbursed - Non-Budgeted)				519,456	519,456
Total State Sources	3,812,617		3,812,617	6,047,986	2,235,369
TOTAL REVENUE	14,953,861		14,953,861	17,215,075	2,261,214

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 269,990	\$ 9,200	\$ 279,190	\$ 277,338	\$ 1,852
Grades 1-5 - Salaries of Teachers	2,022,934	(32,850)	1,990,084	1,985,732	4,352
Grades 6-8 - Salaries of Teachers	1,691,050	13,245	1,704,295	1,703,027	1,268
Regular Programs - Home Instruction:					
Salaries of Teachers	2,500		2,500	1,520	980
Purchased Professional-Educational Services	5,000		5,000		5,000
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	24,765	1,000	25,765	25,259	506
Purchased Professional-Educational Services	500	(25)	475	400	75
Other Purchased Services (400-500 series)	500	29,845	30,345	30,345	
General Supplies	283,067	(48,399)	234,668	171,932	62,736
Textbooks	19,000	(1,600)	17,400	2,200	15,200
Other Objects	900		900	400	500
Total Regular Programs - Instruction	4,320,206	(29,584)	4,290,622	4,198,153	92,469
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	128,760	2,010	130,770	124,675	6,095
Other Salaries for Instruction	15,915		15,915	14,463	1,452
General Supplies	1,000	1,670	2,670	2,647	23
Total Learning and/or Language Disabilities	145,675	3,680	149,355	141,785	7,570
Resource Room/Resource Center:					
Salaries of Teachers	1,284,870	(20,313)	1,264,557	1,256,982	7,575
Other Salaries for Instruction	121,750	(27,000)	94,750	84,351	10,399
General Supplies	4,400	2,456	6,856	5,711	1,145
Total Resource Room/Resource Center	1,411,020	(44,857)	1,366,163	1,347,044	19,119

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Preschool Disabilities - Part Time:					
Salaries of Teachers	\$ 124,855		\$ 124,855	\$ 120,672	\$ 4,183
Other Salaries for Instruction	39,045		39,045	32,958	6,087
General Supplies	2,000		2,000	1,015	985
Total Preschool Disabilities - Part Time	165,900		165,900	154,645	11,255
Home Instruction - Special Education					
Salaries of Teachers	2,000		2,000	1,190	810
Purchased Professional-Education Services	2,500		2,500	110	2,390
Other Purchased Services	200		200	15	185
Total Home Instruction - Special Education	4,700		4,700	1,315	3,385
Total Special Education - Instruction	1,727,295	\$ (41,177)	1,686,118	1,644,789	41,329
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	274,245	99,605	373,850	355,306	18,544
General Supplies	2,500	4,573	7,073	3,848	3,225
Total Basic Skills/Remedial - Instruction	276,745	104,178	380,923	359,154	21,769
School-Sponsored Cocurricular Activities - Instruction:					
Salaries of Teachers	38,850	6,805	45,655	45,655	
Supplies & Materials	1,000	(184)	816	386	430
Other Objects		184	184	176	8
Total School-Sponsored Cocurricular Activities - Instruction	39,850	6,805	46,655	46,217	438

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
School-Sponsored Cocurricular Activities - Athletics - Instruction:					
Salaries	\$ 25,870	\$ (2,623)	\$ 23,247	\$ 18,379	\$ 4,868
Purchased Services (300-500 series)	3,000		3,000	2,110	890
Supplies and Materials	4,500		4,500	343	4,157
Total School-Sponsored Cocurricular Activities - Athletics - Instruction	33,370	(2,623)	30,747	20,832	9,915
Total Instruction	6,397,466	37,599	6,435,065	6,269,145	165,920
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	197,350	(27,260)	170,090	88,238	81,852
Tuition to Private School for the Disabled - Within the State	139,990	(5,593)	134,397	102,605	31,792
Total Undistributed Expenditures - Instruction	337,340	(32,853)	304,487	190,843	113,644
Attendance & Social Work:					
Salaries	16,400		16,400	15,000	1,400
Purchased Professional-Technical Services	17,700		17,700	16,776	924
Total Attendance & Social Work	34,100		34,100	31,776	2,324
Health Services:					
Salaries	132,730	6,595	139,325	136,165	3,160
Purchased Professional and Technical Services	20,800	(9,322)	11,478	7,781	3,697
Other Purchased Services (400-500 series)	500		500	500	500
Supplies and Materials	6,600	1,000	7,600	6,854	746
Total Health Services	160,630	(1,727)	158,903	150,800	8,103

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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	\$ 363,100	\$ (13,032)	\$ 350,068	\$ 349,372	\$ 696
Purchased Professional - Educational Services	198,080	49,469	247,549	235,812	11,737
Supplies and Materials	4,000	(196)	3,804	2,553	1,251
Total Other Support Services - Speech, OT, PT and Related Services	565,180	36,241	601,421	587,737	13,684
Other Support Services - Extra Services:					
Salaries	140,535	25,200	165,735	143,054	22,681
Purchased Professional - Educational Services		8,000	8,000	7,050	950
Supplies and Materials		1,800	1,800	1,762	38
Total Other Support Services - Extra Services	140,535	35,000	175,535	151,866	23,669
Other Support Services - Guidance:					
Salaries of Other Professional Staff	176,810	5,000	181,810	181,074	736
Purchased Professional - Educational Services	4,000	(325)	3,675	1,157	2,518
Supplies and Materials	2,000	2,810	4,810	4,716	94
Total Other Support Services - Guidance	182,810	7,485	190,295	186,947	3,348
Other Support Services - Child Study Teams:					
Salaries of Other Professional Staff	337,580	5,235	342,815	341,152	1,663
Salaries of Secretarial and Clerical Assistants	59,990	(9,595)	50,395	47,786	2,609
Purchased Professional - Educational Services	22,000	(3,678)	18,322	10,669	7,653
Other Purchased Services (400-500 series)	500	260	760	755	5
Miscellaneous Purchased Services (400-500 series)	1,000		1,000	394	606
Supplies and Materials	9,100	(1,231)	7,869	7,869	
Other Objects	300		300	300	
Total Other Support Services - Child Study Teams	430,470	(9,009)	421,461	408,925	12,536

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 83,740	\$ 61,114	\$ 61,114	\$ 37,366	\$ 23,748
Salaries of Other Professional Staff	40,125	22,626	106,366	99,590	6,776
Other Purchased Professional and Technical Services	5,100	2,031	40,125	40,125	76
Supplies and Materials			7,131	7,055	
Total Improvement of Instructional Services	128,965	85,771	214,736	184,136	30,600
Educational Media Services:					
Salaries of Technology Coordinators	114,650		114,650	109,190	5,460
Supplies and Materials	26,300	(1,350)	24,950	6,653	18,297
Total Educational Media Services	140,950	(1,350)	139,600	115,843	23,757
Instructional Staff Training Services:					
Salaries of Other Professional Staff	60,000	(60,000)		54,595	405
Purchased Professional - Educational Services	55,000		55,000	3,060	193
Other Purchased Professional and Technical Services	22,000	(18,747)	3,253	15,444	1,682
Other Purchased Services (400-500 series)	14,000	3,126	17,126	2,336	664
Supplies and Materials	2,000	1,000	3,000		
Total Instructional Staff Training Services	153,000	(74,621)	78,379	75,435	2,944
General Administration:					
Salaries	224,710	(735)	223,975	219,956	4,019
Legal Services	40,000	(5,461)	34,539	24,178	10,361
Audit Fees	20,250	(750)	19,500	19,500	
Other Purchased Professional Services	10,000	18,208	28,208	25,642	2,566
Communications/Telephone	19,100		19,100	15,054	4,046

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
General Administration:					
BOE Other Purchased Services	\$ 5,500	\$ (100)	\$ 5,400	\$ 3,656	\$ 1,744
Other Purchased Services (400-500 series)	34,050	11,746	45,796	41,134	4,662
General Supplies	5,055		5,055	4,958	97
BOE In-House Training and Meeting Supplies	1,000		1,000	482	518
Miscellaneous Expenditures	8,600	(2,197)	6,403	6,397	6
BOE Membership Dues and Fees	8,000	(711)	7,289	7,289	
Total General Administration	376,265	20,000	396,265	368,246	28,019
School Administration:					
Salaries of Principals/Assistant Principals	225,320	8	225,328	225,318	10
Salaries of Secretarial and Clerical Assistants	129,050		129,050	125,444	3,606
Other Salaries	83,740	41,319	125,059	90,632	34,427
Other Purchased Services (400-500 series)	9,000	7,732	16,732	14,502	2,230
Supplies and Materials	10,875	(4,601)	6,274	5,097	1,177
Other Objects	6,725	542	7,267	6,307	960
Total School Administration	464,710	45,000	509,710	467,300	42,410
Central Services:					
Salaries	224,620		224,620	214,618	10,002
Purchased Professional Services	28,100		28,100	26,750	1,350
Purchased Technical Services	5,200	(300)	4,900	3,505	1,395
Miscellaneous Purchased Services (400-500 series)	2,850	5,300	8,150	3,032	5,118
Supplies and Materials	4,500		4,500	3,309	1,191
Other Objects	1,900		1,900	1,786	114
Total Central Services	267,170	5,000	272,170	253,000	19,170

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Administrative Information Technology:					
Purchased Technical Services	\$ 60,500	\$ (21,500)	\$ 39,000	\$ 35,842	\$ 3,158
Other Purchased Services (400-500 series)	24,300	(1,500)	22,800	1,176	21,624
Supplies and Materials	31,000	8,000	39,000	30,533	8,467
Total Administrative Information Technology	115,800	(15,000)	100,800	67,551	33,249
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	120,324	28,012	148,336	132,875	15,461
General Supplies	25,000	(3,516)	21,484	20,005	1,479
Other Objects		993	993	993	
Total Required Maintenance for School Facilities	145,324	25,489	170,813	153,873	16,940
Custodial Services:					
Salaries	512,400	8,750	521,150	516,673	4,477
Purchased Professional and Technical Services	13,500	336	13,836	13,131	705
Cleaning, Repair, and Maintenance Services	40,000	(10,699)	29,301	25,523	3,778
Other Purchased Property Services	55,000	(10,000)	45,000	42,680	2,320
Insurance	74,000	(3,289)	70,711	70,711	
Miscellaneous Purchased Services	12,500		12,500	8,418	4,082
General Supplies	104,190	7,207	111,397	97,930	13,467
Energy (Electricity)	185,000	900	185,900	185,839	61
Energy (Oil)	160,000	(34,224)	125,776	125,265	511
Other Objects	250		250	125	125
Total Custodial Services	1,156,840	(41,019)	1,115,821	1,086,295	29,526

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
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)	\$ 46,285	\$ (30,126)	\$ 16,159	\$ 16,159	
Salaries for Pupil Transportation (Between Home and School) - Sp. Ed.		38,196	38,196	38,196	
Cleaning, Repair and Maintenance Services	20,000	(52)	19,948	19,105	\$ 843
Contracted Services (Aid in Lieu of Payments) - Nonpublic Students	22,100	(3,000)	19,100	16,000	3,100
Contracted Services (Between Home and School)- Vendors	320,790	(5,018)	315,772	307,950	7,822
Contracted Services (Other Than Between Home and School)- Vendors	10,000		10,000	4,133	5,867
Contracted Services (Regular Students) - ESC's & CTSA's	25,550		25,550	20,348	5,202
Contracted Services (Special Education Students) - ESC's & CTSA's	106,030		106,030	95,205	10,825
Miscellaneous Purchased Services - Transportation	12,600		12,600	11,901	699
Transportation Supplies	10,000		10,000	2,557	7,443
Other Objects	500		500	100	400
Total Student Transportation Services	573,855		573,855	531,654	42,201
Unallocated Benefits:					
Social Security Contributions	165,000	(2,550)	162,450	157,627	4,823
T.P.A.F. Contributions - ERIP	28,100	1,000	29,100	28,915	185
Other Retirement Contributions - PERS	146,000	2,550	148,550	148,524	26
Unemployment Compensation	55,000	(18,000)	37,000	20,000	17,000
Workers Compensation	130,000	(1,000)	129,000	124,198	4,802
Health Benefits	2,045,560	(175,000)	1,870,560	1,866,437	4,123
Tuition Reimbursement	30,000	(18,000)	12,000	11,904	96
Other Employee Benefits	392,150	(91,968)	300,182	291,051	9,131
Unused Sick Payment to Terminated/Retired Staff	10,000	28,220	38,220	36,163	2,057
Total Unallocated Benefits	3,001,810	(274,748)	2,727,062	2,684,819	42,243

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
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)				\$ 975,024	\$ (975,024)
TPAF Pension NCGI Premium (On-Behalf - Non-Budgeted)				23,661	(23,661)
TPAF Pension LTDI Premium (On-Behalf - Non-Budgeted)				1,916	(1,916)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				645,029	(645,029)
TPAF Social Security (Reimbursed - Non-Budgeted)				519,456	(519,456)
Total On-Behalf Contributions				2,165,086	(2,165,086)
Total Personal Services - Employee Benefits	\$ 3,001,810	\$ (274,748)	\$ 2,727,062	4,849,905	(2,122,843)
Total Undistributed Expenditures	8,375,754	(190,341)	8,185,413	9,862,132	(1,676,719)
TOTAL CURRENT EXPENSE	14,773,220	(152,742)	14,620,478	16,131,277	(1,510,799)
CAPITAL OUTLAY:					
Equipment:					
Instruction		8,732	8,732	8,732	
School Administration		6,353	6,353	6,353	
Required Maintenance For School Facilities	30,000	81,737	111,737	19,789	91,948
School Buses - Special		61,920	61,920		
Total Equipment	30,000	158,742	188,742	34,874	91,948
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services		62,840	62,840	46,840	16,000
Construction Services	1,416,825	(51,590)	1,365,235	95,200	1,270,035
Assessment for Debt Service on SDA Funding	61,496		61,496	61,496	
Total Facilities Acquisition and Construction Services	1,478,321	11,250	1,489,571	203,536	1,286,035
TOTAL CAPITAL OUTLAY	1,508,321	169,992	1,678,313	238,410	1,377,983

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Transfer of Funds to Charter Schools	\$ 174,006	\$ (6,000)	\$ 168,006	\$ 135,678	\$ 32,328
TOTAL EXPENDITURES	16,455,547	11,250	16,466,797	16,505,365	(100,488)
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,501,686)	(11,250)	(1,512,936)	709,710	2,160,726
Other Financing Sources/(Uses):					
Capital Contribution - Food Service Fund				(9,786)	
Transfer (to)/from Capital Projects (Capital Reserve)				26,492	
Total Other Financing Sources/(Uses)				16,706	
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(1,501,686)	(11,250)	(1,512,936)	726,416	2,160,726
Fund Balance, July 1	3,551,457		3,551,457	3,551,457	
Fund Balance, June 30	\$ 2,049,771	\$ (11,250)	\$ 2,038,521	\$ 4,277,873	\$ 2,160,726

Recapitulation:

Restricted Fund Balances:

Capital Reserve

Maintenance Reserve

Assigned Fund Balance:

Year End Encumbrances

Unassigned Fund Balance

\$ 2,774,756
150,000
996,029
357,088
4,277,873

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payment not Recognized on GAAP Basis

Fund Balance per Governmental Funds (GAAP)

(374,163)
\$ 3,903,710

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 14,968	\$ 14,968	\$ 10,668	\$ (4,300)
Federal Sources	\$ 213,795	54,475	268,270	264,213	(4,057)
Total Revenues	213,795	69,443	283,238	274,881	(8,357)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	40,435	3,425	43,860	43,860	
Tuition	163,000	26,760	189,760	189,760	
General Supplies		12,619	12,619	8,605	4,014
Total Instruction	203,435	42,804	246,239	242,225	4,014
Support Services:					
Purchased Professional and Technical Services		12,894	12,894	12,894	
Other Purchased Services	10,360	(10,360)			
Purchased Professional and Educational Services		12,587	12,587	12,587	
Supplies and Materials		11,518	11,518	7,175	4,343
Total Support Services	10,360	26,639	36,999	32,656	4,343
Total Expenditures	\$ 213,795	\$ 69,443	\$ 283,238	\$ 274,881	\$ 8,357

BYRAM TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 17,215,075	\$ 274,881
Differences - Budget to GAAP:		
Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		(3,200)
Prior Year State Aid Payments Recognized for GAAP Statements	373,176	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(374,163)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 17,214,088	\$ 271,681
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 16,505,365	\$ 274,881
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(3,200)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 16,505,365	\$ 271,681

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, 2018 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)]. 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, 2018

	Elementary and Secondary Education Act				IDEA Part B			Totals
	Title I	Title II Part A	Title IV	Basic	Preschool	Local	Totals	
REVENUE:								
Local Sources						\$ 10,668	\$ 10,668	
Federal Sources	\$ 55,339	\$ 13,128	\$ 5,986	\$ 179,444	\$ 10,316		264,213	
Total Revenue	55,339	13,128	5,986	179,444	10,316	10,668	274,881	
EXPENDITURES:								
Instruction:								
Salaries of Teachers	39,011		4,849				43,860	
Tuition				179,444	10,316		189,760	
General Supplies			1,137			7,468	8,605	
Total Instruction	39,011		5,986	179,444	10,316	7,468	242,225	
Support Services:								
Purchased Professional and Educational Services	12,894						12,894	
Travel		12,587					12,587	
Supplies and Materials	3,434	541				3,200	7,175	
Total Support Services	16,328	13,128				3,200	32,656	
Total Expenditures	\$ 55,339	\$ 13,128	\$ 5,986	\$ 179,444	\$ 10,316	\$ 10,668	\$ 274,881	

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, 2018

Other Financing Uses:	
Transfer Out - General Fund - Capital Reserve	<u>\$ (26,492)</u>
Total Other Financing Uses	<u>(26,492)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(26,492)
Fund Balance - Beginning Balance	<u>72,951</u>
Fund Balance - Ending Balance	<u><u>\$ 46,459</u></u>
Recapitulation:	
Committed Fund Balance	\$ 46,459
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>\$ -0-</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, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
State Sources -SDA Grant	\$ 356,294		\$ 356,294	\$ 356,294
Transfer from Capital Reserve	593,868	\$ (26,492)	567,376	567,376
Total Revenues & Other Financing Sources	<u>950,162</u>	<u>(26,492)</u>	<u>923,670</u>	<u>923,670</u>
Expenditures:				
Construction Services	877,211		877,211	923,670
Total Expenditures	<u>877,211</u>		<u>877,211</u>	<u>923,670</u>
Excess of Revenue & Other Financing Sources Over Expenditures	<u>\$ 72,951</u>	<u>\$ (26,492)</u>	<u>\$ 46,459</u>	<u>\$ - 0 -</u>

Additional Project Information:

Project Number	0640-030-13-2001-G04 Roof
Grant Date	1/16/2014
Original Authorized Cost	\$ 989,780
Cancelled SDA Grant	\$ (39,618)
Cancelled Capital Reserve Funding	\$ (26,492)
Revised Authorized Cost	<u>\$ 923,670</u>
Percentage Completed	95%
Original Target Completion Date	6/30/2015
Revised Target Completion Date	6/30/2019

PROPRIETARY FUNDS

BYRAM TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS:

Current Assets:	
Cash and Cash Equivalents	\$ 35,526
Intergovernmental Accounts Receivable:	
Federal	4,409
State	274
Inventories	6,384
	<hr/>
Total Current Assets	46,593
	<hr/>
Non-Current Assets:	
Capital Assets	334,308
Less: Accumulated Depreciation	(318,153)
	<hr/>
Total Non-Current Assets	16,155
	<hr/>
Total Assets	62,748
	<hr/>

LIABILITIES:

Current Liabilities:	
Accounts Payable - Vendors	18,478
Unearned Revenue - Donated Commodities	3,100
Unearned Revenue - Prepaid Sales	4,431
	<hr/>
Total Current Liabilities	26,009
	<hr/>

NET POSITION:

Investment in Capital Assets	16,155
Unrestricted	20,584
	<hr/>
Total Net Position	\$ 36,739
	<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, 2018

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 103,895
Daily Sales - Non-Reimbursable Programs	58,162
Special Functions	4,176
	<hr/>
Total Operating Revenue	166,233
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	73,484
Cost of Sales - Non-Reimbursable Programs	31,835
Salaries, Benefits and Payroll Taxes	88,880
Supplies and Other Costs	24,200
Management Fee	10,300
Depreciation Expense	13,108
	<hr/>
Total Operating Expenses	241,807
	<hr/>
Operating Loss	(75,574)
	<hr/>
Non-Operating Income:	
Local Sources:	
Interest Income	4
State Sources:	
State School Lunch Program	2,232
Federal Sources:	
National School Lunch Program	37,705
Food Distribution Program	18,649
	<hr/>
Total Non-Operating Income	58,590
	<hr/>
Change in Net Position Before Transfers	(16,984)
	<hr/>
Transfers:	
Transfer from General Fund- Capital Contribution	9,786
	<hr/>
Change in Net Position After Transfers	(7,198)
	<hr/>
Net Position - Beginning of Year	43,937
	<hr/>
Net Position - End of Year	\$ 36,739
	<hr/> <hr/>

BYRAM TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 165,210
Payments to Employees	(88,880)
Payments to Food Service Vendor	(90,860)
Payments to Suppliers	(24,632)
Net Cash Used for Operating Activities	<u>(39,162)</u>
Cash Flows from Noncapital Financing Activities:	
Local Sources:	
Interest Income	4
State Sources:	
State School Lunch Program	2,105
Federal Sources:	
National School Lunch Program	36,173
Transfer In - General Fund	4,972
Net Cash Provided by Noncapital Financing Activities	<u>43,254</u>
Net Increase in Cash and Cash Equivalents	4,092
Cash and Cash Equivalents, July 1	<u>31,434</u>
Cash and Cash Equivalents, June 30	<u>\$ 35,526</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:	
Operating Loss	\$ (75,574)
Adjustment to Reconcile Operating Loss to Cash Provided by (Used for) Operating Activities:	
Depreciation	13,108
Food Distribution Program	18,649
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventories	949
Increase/(Decrease) in Unearned Revenue - Donated Commodities	(9)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	(1,023)
Increase/(Decrease) in Accounts Payable	4,738
Net Cash Used for Operating Activities	<u>\$ (39,162)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received commodities valued at \$18,640 and utilized commodities valued at \$18,649 from the Federal Food Distribution Program for the fiscal year ended June 30, 2018.

FIDUCIARY FUNDS

BYRAM TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	<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	\$ 36,649	\$ 173,177	\$ 209,826	\$ 84,002	\$ 293,828
Total Assets	<u>36,649</u>	<u>173,177</u>	<u>209,826</u>	<u>84,002</u>	<u>293,828</u>
LIABILITIES:					
Due to Student Groups	36,649		36,649		36,649
Payroll Deductions and Withholdings		32,071	32,071		32,071
Accrued Salaries and Wages		140,145	140,145		140,145
Interfund Payable - General Fund		961	961		961
Total Liabilities	<u>36,649</u>	<u>173,177</u>	<u>209,826</u>		<u>209,826</u>
NET POSITION:					
Held in Trust for Unemployment				84,002	84,002
Total Net Position	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 84,002</u>	<u>\$ 84,002</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Unemployment Compensation Trust Fund</u>
Additions:	
Contributions:	
Plan Contributions	\$ 15,051
Board Contributions	<u>20,000</u>
Total Contributions	<u>35,051</u>
Investment Earnings:	
Interest	<u>6</u>
Net Investment Earnings	<u>6</u>
Total Additions	<u>35,057</u>
Deductions:	
Unemployment Claims	<u>17,564</u>
Total Deductions	<u>17,564</u>
Change in Net Position	17,493
Net Position - Beginning of the Year	<u>66,509</u>
Net Position - End of the Year	<u><u>\$ 84,002</u></u>

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

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 63,238	\$ 101,338	\$ 127,927	\$ 36,649
Total Assets	<u>\$ 63,238</u>	<u>\$ 101,338</u>	<u>\$ 127,927</u>	<u>\$ 36,649</u>
<u>LIABILITIES:</u>				
Due to Student Groups	\$ 63,238	\$ 101,338	\$ 127,927	\$ 36,649
Total Liabilities	<u>\$ 63,238</u>	<u>\$ 101,338</u>	<u>\$ 127,927</u>	<u>\$ 36,649</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY

	<u>Balance</u> <u>July 1, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
Byram Lakes School	\$ 9,017	\$ 18,367	\$ 21,443	\$ 5,941
Intermediate School	<u>54,221</u>	<u>82,971</u>	<u>106,484</u>	<u>30,708</u>
Total All Schools	<u><u>\$ 63,238</u></u>	<u><u>\$ 101,338</u></u>	<u><u>\$ 127,927</u></u>	<u><u>\$ 36,649</u></u>

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

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 158,868	\$ 16,118,270	\$ 16,103,961	\$ 173,177
Total Assets	<u>\$ 158,868</u>	<u>\$ 16,118,270</u>	<u>\$ 16,103,961</u>	<u>\$ 173,177</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 31,710	\$ 10,116,039	\$ 10,115,678	\$ 32,071
Net Payroll		5,861,125	5,861,125	
Accrued Salaries and Wages	122,850	140,145	122,850	140,145
Interfund Payable - General Fund	4,308	961	4,308	961
Total Liabilities	<u>\$ 158,868</u>	<u>\$ 16,118,270</u>	<u>\$ 16,103,961</u>	<u>\$ 173,177</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, 2018

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance July 1, 2017	Retired or Matured	Balance June 30, 2018
			Date	Amount	Outstanding June 30, 2018				
Refunding School Bonds	12/16/15	\$ 3,560,000	03/15/19	\$ 705,000		1.69%	\$ 2,860,000	\$ 695,000	\$ 2,165,000
			03/15/20	720,000		1.69%			
			03/15/21	740,000		1.69%			
							\$ 2,860,000	\$ 695,000	\$ 2,165,000

BYRAM TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOT APPLICABLE

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original</u>	<u>Budget</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>	<u>Final to Actual</u>	
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 743,334		\$ 743,334	\$ 743,334	
Total Revenue	743,334		743,334	743,334	
EXPENDITURES:					
Regular Debt Service:					
Interest	48,334		48,334	48,142	\$ 192
Redemption of Principal	695,000		695,000	695,000	
Total Regular Debt Service	743,334		743,334	743,142	192
Total Expenditures	743,334		743,334	743,142	192
Excess/(Deficiency) of Revenue Over/(Under) Expenditures				192	192
Fund Balance, July 1	368		368	368	
Fund Balance, June 30	\$ 368	\$ -0-	\$ 368	\$ 560	\$ 192
<u>Recapitulation:</u>				\$ 560	
Restricted Fund Balance				\$ 560	

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,				
	2009	2010	2011	2012	2013
Governmental Activities:					
Net Investment in Capital Assets	\$ 8,828,383	\$ 8,775,097	\$ 8,828,878	\$ 8,886,904	\$ 9,015,795
Restricted	151,631	203,987	962,858	1,614,062	2,175,373
Unrestricted (Deficit)	(1,398,337)	(617,726)	(481,839)	(396,735)	(330,498)
Total Governmental Activities Net Position	\$ 7,581,677	\$ 8,361,358	\$ 9,309,897	\$ 10,104,231	\$ 10,860,670
Business-Type Activities:					
Investment in Capital Assets	\$ 98,599	\$ 87,634	\$ 83,437	\$ 72,035	\$ 75,503
Unrestricted	35,338	44,929	50,598	54,885	17,922
Total Business-Type Activities Net Position	\$ 133,937	\$ 132,563	\$ 134,035	\$ 126,920	\$ 93,425
District-Wide:					
Net Investment in Capital Assets	\$ 8,926,982	\$ 8,862,731	\$ 8,912,315	\$ 8,958,939	\$ 9,091,298
Restricted	151,631	203,987	962,858	1,614,062	2,175,373
Unrestricted (Deficit)	(1,362,999)	(572,797)	(431,241)	(341,850)	(312,576)
Total District Net Position	\$ 7,715,614	\$ 8,493,921	\$ 9,443,932	\$ 10,231,151	\$ 10,954,095

BYRAM TOWNSHIP SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	June 30,				
	2014	2015	2016	2017	2018
Governmental Activities:					
Net Investment in Capital Assets	\$ 9,504,913	\$ 11,087,275	\$ 11,239,559	\$ 11,682,608	\$ 11,741,967
Restricted	2,153,062	2,073,214	2,423,558	2,988,124	2,925,316
Unrestricted (Deficit)	(393,319)	(3,109,669)	(2,924,110)	(3,399,613)	(2,688,804)
Total Governmental Activities Net Position	\$ 11,264,656	\$ 10,050,820	\$ 10,739,007	\$ 11,271,119	\$ 11,978,479
Business-Type Activities:					
Investment in Capital Assets	\$ 64,061	\$ 46,811	\$ 36,093	\$ 19,477	\$ 16,155
Unrestricted	22,935	33,051	33,293	24,460	22,783
Total Business-Type Activities Net Position	\$ 86,996	\$ 79,862	\$ 69,386	\$ 43,937	\$ 38,938
District-Wide:					
Investment in Capital Assets	\$ 9,568,974	\$ 11,134,086	\$ 11,275,652	\$ 11,702,085	\$ 11,758,122
Restricted	2,153,062	2,073,214	2,423,558	2,988,124	2,925,316
Unrestricted (Deficit)	(370,384)	(3,076,618)	(2,890,817)	(3,375,153)	(2,666,021)
Total District Net Position	\$ 11,351,652	\$ 10,130,682	\$ 10,808,393	\$ 11,315,056	\$ 12,017,417

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,				
	2009	2010	2011	2012	2013
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 5,907,433	\$ 5,735,545	\$ 5,289,620	\$ 5,484,839	\$ 5,727,131
Special Education	1,444,608	1,561,570	1,450,588	1,621,760	1,704,502
Other Special Instruction	473,996	403,714	478,941	317,182	318,212
School-Sponsored/Other Instruction	59,477	72,805	81,545	78,876	77,115
Support Services:					
Tuition	232,576	125,566	180,124	289,676	290,144
Student & Instruction Related Services	1,715,330	1,695,036	1,831,276	1,852,908	1,884,278
General Administrative Services	488,865	512,842	478,650	466,887	358,128
School Administrative Services	589,568	554,274	595,251	586,540	553,462
Central Services	437,013	424,458	360,912	436,474	388,272
Administrative Information Technology					
Plant Operations and Maintenance	1,481,573	1,295,228	1,245,775	1,285,268	1,274,688
Pupil Transportation	796,461	720,614	678,171	646,189	678,158
Unallocated Benefits	971,757	939,260	846,280	1,071,640	1,355,979
Interest on Long-term Debt	325,823	305,202	286,067	264,478	240,565
Unallocated Depreciation	599,609	575,930	554,978	586,992	575,332
Capital Outlay		33,414	45,150	113,028	39,882
Charter Schools	23,013	31,489	37,999	50,128	76,903
Total Governmental Activities Expenses	15,547,101	14,986,946	14,441,329	15,152,863	15,542,751
Business-Type Activities:					
Food Service	316,167	282,782	279,815	269,513	266,163
Total Business-type Activities Expense	316,167	282,782	279,815	269,513	266,163
Total District Expenses	\$ 15,863,268	\$ 15,269,729	\$ 14,721,144	\$ 15,422,376	\$ 15,808,914

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

	Fiscal Year Ending June 30,				
	2009	2010	2011	2012	2013
Program Revenues					
Governmental Activities:					
Charges for Services:					
Tuition				\$ 13,105	\$ 13,763
Operating Grants and Contributions	\$ 278,194	\$ 385,457	\$ 362,347	\$ 272,835	\$ 279,553
Capital Grants and Contributions					
Total Governmental Activities Program Revenues	<u>278,194</u>	<u>385,457</u>	<u>362,347</u>	<u>285,940</u>	<u>293,316</u>
Business-Type Activities:					
Charges for Services:					
Food Service	243,033	216,325	195,836	172,735	158,256
Operating Grants and Contributions	68,091	64,996	85,409	89,643	74,408
Total Business-type Activities Program Revenues	<u>311,123</u>	<u>281,321</u>	<u>281,244</u>	<u>262,378</u>	<u>232,664</u>
Total District Program Revenues	<u>\$ 589,317</u>	<u>\$ 666,778</u>	<u>\$ 643,591</u>	<u>\$ 548,318</u>	<u>\$ 525,980</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (15,268,907)	\$ (14,601,489)	\$ (14,078,982)	\$ (14,866,924)	\$ (15,249,435)
Business-type Activities	(5,043)	(1,461)	1,430	(7,135)	(33,499)
Total District-wide Net Expense	<u>\$ (15,273,951)</u>	<u>\$ (14,602,950)</u>	<u>\$ (14,077,552)</u>	<u>\$ (14,874,058)</u>	<u>\$ (15,282,934)</u>

BYRAM TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 8,923,728	\$ 9,726,141	\$ 9,940,000	\$ 10,138,800	\$ 10,341,576
Taxes Levied for Debt Service	746,928	776,262	810,713	806,101	810,851
Unrestricted Grants and Contributions	4,447,661	4,743,786	4,169,555	4,576,483	4,791,287
Federal and State aid not restricted					
Tuition					
Investment Earnings	11,229	4,350	2,857	2,136	2,301
Capital Outlay Facilities Grant					
Extraordinary Items					
Miscellaneous Income	57,089	130,631	104,396	137,738	59,859
Cancellation on Prior Year Accounts Payable					
Transfers					
Total Governmental Activities	14,186,635	15,381,170	15,027,521	15,661,258	16,005,874
Business-Type Activities:					
Investment Earnings	70	87	42	20	4
Transfers/Other					
Total Business-Type Activities	70	87	42	20	4
Total District-Wide	\$ 14,186,705	\$ 15,381,257	\$ 15,027,563	\$ 15,661,278	\$ 16,005,878
Change in Net Position:					
Governmental Activities	\$ (1,082,272)	\$ 779,681	\$ 948,539	\$ 794,334	\$ 756,439
Business-type Activities	(4,973)	(1,374)	1,472	(7,115)	(33,495)
Total District	\$ (1,087,245)	\$ 778,307	\$ 950,011	\$ 787,219	\$ 722,944

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

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 6,183,245	\$ 6,239,377	\$ 5,785,991	\$ 8,174,622	\$ 8,522,315
Special Education	1,505,619	1,711,440	1,976,884	3,228,163	3,367,044
Other Special Instruction	236,321	192,633	280,706	293,379	408,542
School-Sponsored/Other Instruction	83,915	79,035	83,513	317,400	421,143
Support Services:					
Tuition	334,507	222,985	371,016	326,902	190,843
Student & Instruction Related Services	1,945,906	1,986,770	2,265,456	3,027,172	3,162,002
School Administrative Services	394,719	461,674	478,373	809,082	570,613
General Administrative Services	569,067	635,189	604,541	558,274	845,073
Central Services	507,898	497,126	449,425	447,985	441,440
Administrative Information Technology				73,573	77,262
Plant Operations and Maintenance	1,388,233	1,270,621	1,347,036	1,529,067	1,659,664
Pupil Transportation	770,239	539,641	607,539	618,872	576,791
Unallocated Benefits	1,170,353	2,797,428	3,565,949		
Interest on Long-term Debt	211,729	221,438	43,909	56,306	44,717
Unallocated Depreciation	577,519	723,359	800,474	808,665	421,431
Capital Outlay	1,255	37,734	19,526	69,850	112,973
Charter Schools	94,450	81,238	136,291	116,831	135,678
Total Governmental Activities Expenses	15,974,975	17,697,688	18,816,629	20,456,143	20,957,531
Business-Type Activities:					
Food Service	246,141	234,569	222,962	248,444	241,807
Total Business-type Activities Expense	246,141	234,569	222,962	248,444	241,807
Total District Expenses	\$ 16,221,116	\$ 17,932,257	\$ 19,039,590	\$ 20,704,587	\$ 21,199,338

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

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
Program Revenues					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 13,744	\$ 12,125	\$ 13,000	\$ 83,512	\$ 34,500
Operating Grants and Contributions	258,293	248,799	264,247	6,123,576	6,820,704
Capital Grants and Contributions				(39,618)	
Total Governmental Activities Program Revenues	272,037	260,924	277,247	6,167,470	6,855,204
Business-Type Activities:					
Charges for Services:					
Food Service	\$ 168,230	\$ 174,600	\$ 164,273	\$ 165,243	\$ 166,233
Operating Grants and Contributions	71,478	52,832	48,209	55,307	58,586
Total Business-type Activities Program Revenues	239,708	227,432	212,482	220,550	224,819
Total District Program Revenues	\$ 511,745	\$ 488,356	\$ 489,729	\$ 6,388,020	\$ 7,080,023
Net (Expense)/Revenue					
Governmental Activities	\$ (15,702,938)	\$ (17,436,764)	\$ (18,539,381)	\$ (14,288,673)	\$ (14,102,327)
Business-type Activities	(6,433)	(7,137)	(10,480)	(27,894)	(16,988)
Total District-wide Net Expense	\$ (15,709,371)	\$ (17,443,901)	\$ (18,549,861)	\$ (14,316,567)	\$ (14,119,315)

BYRAM TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 10,548,406	\$ 10,689,890	\$ 10,903,688	\$ 11,067,244	\$ 11,067,244
Taxes Levied for Debt Service	814,394	772,150	776,050	705,767	743,334
Unrestricted Grants and Contributions	4,695,256	6,613,084	7,508,589	2,933,786	
Federal and State aid not restricted			46,080		2,943,550
Tuition		14,741	2,016		
Investment Earnings	1,753	1,401			
Capital Outlay Facilities Grant		350,884			
Extraordinary Items			(95,000)		
Miscellaneous Income			86,145	115,419	65,345
Cancellation on Prior Year Accounts Payable	47,116	160,322		(1,431)	
Transfers					(9,786)
Total Governmental Activities	16,106,925	18,602,473	19,227,568	14,820,785	14,809,687
Business-Type Activities:					
Investment Earnings	3	3	5	4	4
Transfers/Other				2,441	9,786
Total Business-Type Activities	3	3	5	2,445	9,790
Total District-Wide	\$ 16,106,928	\$ 18,602,476	\$ 19,227,573	\$ 14,823,230	\$ 14,819,477
Change in Net Position:					
Governmental Activities	\$ 403,987	\$ 1,165,709	\$ 688,187	\$ 532,112	\$ 707,360
Business-type Activities	(6,430)	(7,134)	(10,475)	(25,449)	(7,198)
Total District	\$ 397,557	\$ 1,158,574	\$ 677,712	\$ 506,663	\$ 700,162

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

	June 30,				
	2009	2010	2011	2012	2013
General Fund:					
Reserved	\$ 122,474	\$ 203,921			
Restricted			\$ 211,351	\$ 1,145,910	\$ 1,630,910
Assigned			801,935.00	603,401	694,461
Unreserved/Deficit	(641,273)	88,832			37,163
Unassigned			70,382	21,690	
Total General Fund	<u>\$ (518,799)</u>	<u>\$ 292,753</u>	<u>\$ 1,083,668</u>	<u>\$ 1,771,001</u>	<u>\$ 2,362,534</u>
All Other Governmental Funds:					
Restricted					
Committed					
Unreserved	\$ 29,158	\$ 66		\$ 1	\$ 1
Total All Other Governmental Funds	<u>\$ 29,158</u>	<u>\$ 66</u>	<u>\$ - 0 -</u>	<u>\$ 1</u>	<u>\$ 1</u>
Total Governmental Funds	<u>\$ (489,641)</u>	<u>\$ 292,819</u>	<u>\$ 1,083,668</u>	<u>\$ 1,771,002</u>	<u>\$ 2,362,535</u>

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

	June 30,				
	2014	2015	2016	2017	2018
General Fund:					
Reserved					
Restricted	\$ 1,303,042	\$ 2,005,672	\$ 2,321,757	\$ 2,987,756	\$ 2,924,756
Assigned	315,719	383,709	465,252	176,686	978,954
Unreserved	39,217	(10,616)	27,133	13,839	
Unassigned					
Total General Fund	\$ 1,657,978	\$ 2,378,765	\$ 2,814,142	\$ 3,178,281	\$ 3,903,710
All Other Governmental Funds:					
Restricted				368	560
Committed				26,492	
Unreserved	593,868	67,542	101,801		
Total All Other Governmental Funds	\$ 593,868	\$ 67,542	\$ 101,801	\$ 26,860	\$ 560
Total Governmental Funds	\$ 2,251,846	\$ 2,446,307	\$ 2,915,943	\$ 3,205,141	\$ 3,904,270

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,				
	2009	2010	2011	2012	2013
Revenues:					
Tax Levy	\$ 9,670,656	\$ 10,502,403	\$ 10,750,713	\$ 10,944,901	\$ 11,152,427
Tuition Charges	29,713	22,458	23,302	84,111	
Interest Earnings	787				
Miscellaneous	37,819	112,523	83,951	78,868	80,923
State Sources	4,461,133	4,276,627	4,180,769	4,483,481	4,779,469
Federal Sources	264,722	852,616	351,133	355,837	286,371
Total Revenue	14,464,830	15,766,627	15,389,868	15,947,198	16,299,190
Expenditures					
Instruction:					
Regular Instruction	4,899,449	4,604,241	4,244,814	4,392,070	4,641,956
Special Education Instruction	1,162,691	1,229,129	1,136,995	1,273,022	1,350,151
Other Special Education	381,614	317,763	375,388	248,731	251,874
Co-Curricular Activities & Athletics	49,086	58,535	64,766	62,380	61,704
Support Services:					
Tuition	232,576	125,566	180,124	289,676	290,144
Student & Instruction Related Services	1,424,276	1,384,286	1,479,157	1,490,233	1,539,812
General Administrative Services	405,908	421,501	390,037	382,265	297,150
School Administrative Services	476,883	440,428	470,806	463,331	441,477
Central Services	200,443	206,250	213,123	222,803	217,885
Administrative Information Technology	190,094	167,650	97,139	162,623	122,251
Plant Operations and Maintenance	1,371,076	1,182,700	1,142,392	1,211,764	1,167,160
Student Transportation	793,477	716,489	673,708	643,095	673,802

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,				
	2009	2010	2011	2012	2013
Expenditures					
Support Services:					
Unallocated Benefits	\$ 3,008,151	\$ 3,248,760	\$ 3,158,994	\$ 3,383,927	\$ 3,588,565
Charter Schools	23,013	31,489	37,999	50,128	76,903
Capital Outlay	21,840	60,353	111,584	240,585	164,984
Debt Service:					
Principal	486,446	507,843	529,347	545,929	572,632
Interest and Other Charges	333,007	310,840	292,645	271,269	249,206
Total Expenditures	<u>15,460,030</u>	<u>15,013,823</u>	<u>14,599,018</u>	<u>15,333,831</u>	<u>15,707,656</u>
Excess/(Deficiency) of Revenue					
Over/(Under) Expenditures	<u>(995,200)</u>	<u>752,804</u>	<u>790,850</u>	<u>613,367</u>	<u>591,534</u>
Other Financing Sources/(Uses):					
Capital Leases (non-budgeted)	21,840	29,656		73,967	
Cancellation of Prior Year Accounts Payable					
Transfers In	65				
Transfers Out	<u>(65)</u>				
Total Other Financing Sources/(Uses)	<u>21,840</u>	<u>29,656</u>		<u>73,967</u>	
Net Change in Fund Balances	<u>\$ (973,360)</u>	<u>\$ 782,460</u>	<u>\$ 790,850</u>	<u>\$ 687,334</u>	<u>\$ 591,534</u>
Debt Service as a Percentage					
of Noncapital Expenditures	5.31%	5.47%	5.67%	5.29%	5.41%

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,				
	2014	2015	2016	2017	2018
Revenues:					
Tax Levy	\$ 11,362,800	\$ 11,462,040	\$ 11,679,738	\$ 11,773,011	\$ 11,810,578
Tuition Charges		14,741	46,080	83,512	34,500
Interest Earnings					
Miscellaneous	63,063	184,048	101,161	115,419	72,813
State Sources	4,706,133	5,518,837	5,527,554	5,672,309	6,046,999
Federal Sources	246,965	238,599	264,247	258,501	264,213
Total Revenue	16,378,961	17,418,265	17,618,780	17,902,752	18,229,103
Expenditures					
Instruction:					
Regular Instruction	4,948,303	5,068,702	4,519,552	4,429,856	4,280,074
Special Education Instruction	1,175,823	1,332,629	1,505,523	1,812,234	1,834,549
Other Special Education	184,409	149,859	213,424	298,442	405,371
Co-Curricular Activities & Athletics	65,997	62,180	64,523	26,127	20,832
Support Services:					
Tuition	334,506	222,985	371,016	326,902	190,843
Student & Instruction Related Services	1,563,752	1,617,243	1,867,892	1,805,112	1,893,465
General Administrative Services	323,134	380,074	369,042	359,989	368,246
School Administrative Services	444,061	494,146	459,591	452,571	467,300
Central Services	238,109	241,647	250,309	267,624	253,000
Administrative Information Technology	211,240	196,799	131,299	73,573	67,551
Plant Operations and Maintenance	1,267,319	1,149,951	1,216,595	1,180,966	1,240,168
Student Transportation	767,252	528,248	591,939	587,470	531,654

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,				
	2014	2015	2016	2017	2018
Expenditures					
Support Services:					
Unallocated Benefits	\$ 3,589,091	\$ 3,738,218	\$ 4,237,738	\$ 4,495,998	\$ 4,849,905
Charter Schools	94,450	81,238	136,291	116,831	135,678
Capital Outlay	456,835	1,187,834	472,619	638,769	238,410
Debt Service:					
Principal	604,420	580,000	630,000	680,000	695,000
Interest and Other Charges	220,851	192,150	111,791	59,658	48,142
Total Expenditures	<u>16,489,552</u>	<u>17,223,903</u>	<u>17,149,144</u>	<u>17,612,122</u>	<u>17,520,188</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>(110,591)</u>	<u>194,362</u>	<u>469,636</u>	<u>290,630</u>	<u>708,915</u>
Other Financing Sources/(Uses):					
Capital Leases (non-budgeted)				(1,431)	
Cancellation of Prior Year Accounts Payable					(9,786)
Transfers In	593,868				
Transfers Out	<u>(593,868)</u>			<u>(1,431)</u>	<u>(9,786)</u>
Total Other Financing Sources/(Uses)					
Net Change in Fund Balances	<u>\$ (110,591)</u>	<u>\$ 194,362</u>	<u>\$ 469,636</u>	<u>\$ 289,199</u>	<u>\$ 699,129</u>
Debt Service as a Percentage of Noncapital Expenditures	5.15%	4.82%	4.45%	4.20%	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)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Rentals - Use</u> <u>of Facilities</u>	<u>Activity Fees</u>	<u>Donations</u>	<u>Miscellaneous</u>	<u>Total</u>
2009	\$ 11,229	\$ 29,713		\$ 12,588.00			\$ 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
2018	8,562	34,500	12,206	16,348			28,229	99,845

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		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)	
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	65,358,100	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													
2017	15,300,000	814,380,700	15,020,200	78,079,400	1,881,100	1,115,600	926,499,000	67,931,100	926,499,000	1.27	967,681,544													

^ - 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	
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
2017	1.190	0.080	1.270	0.928	0.595	0.687	3.480

[^] - Reassessment of property was effective in 2009 and 2012

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 TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2018			2009		
	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	2.25%
Byram Land Development	5,043,700	2	0.55%	2,214,100	2	0.42%
Byram Self Storage, LLC	4,250,000	3	0.46%	2,125,200	3	0.40%
YK Realty Co, LLC	4,233,500	4	0.46%			
Stanhope Realty, LLC	2,875,000	5	0.31%	1,907,500	4	0.36%
Panther Lake Camping Resort	2,716,100	6	0.29%	1,448,100	5	0.27%
206 Acorn Development Corp.	2,296,600	7	0.25%	1,394,800	6	0.26%
Lake Lackawanna Invest. Corp				1,223,100	7	0.23%
Individual Taxpayer # 1	1,704,000	8	0.18%			0.24%
One Main Street Sparta, LLC				1,025,100	8	0.19%
Federal national Mortgage Association	1,417,500	10	0.15%	986,600	9	0.19%
SC Realty, LLC				823,400	10	0.16%
Total	\$ 42,248,500		4.57%	\$ 25,928,300		5.13%

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>	
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 -
2018	11,810,578	11,810,578	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				
2009	\$ 7,160,000	\$ 212,357	\$ 62,971	\$ 255,172	\$ - 0 -	\$ 7,690,500	1.94%	907.11	
2010	6,700,000	201,332	66,508	207,329	- 0 -	7,175,170	1.81%	853.78	
2011	6,220,000	189,397	44,930	157,982	- 0 -	6,612,309	1.61%	790.47	
2012	5,725,000	176,477	64,799	107,053	- 0 -	6,073,329	1.45%	732.87	
2013	5,205,000	162,491	49,710	54,421	- 0 -	5,471,622	1.30%	665.89	
2014	4,655,000	147,352	34,473	- 0 -	- 0 -	4,836,825	1.12%	593.62	
2015	5,075,000	130,964	19,056	- 0 -	- 0 -	4,225,020	0.95%	524.07	
2016	3,540,000	113,224	2,795	- 0 -	- 0 -	3,656,019	0.81%	457.23	
2017	2,860,000	94,020	- 0 -	- 0 -	- 0 -	2,954,020	0.66%	370.04	
2018	2,165,000	73,232	- 0 -	- 0 -	- 0 -	2,238,232	0.50%	280.37	

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		
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
2018	2,165,000	- 0 -	2,165,000	0.23%	271.20

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, 2017
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	\$ 3,563,783	100%	\$ 3,563,783
Sussex County General Obligation Debt	108,606,061	5.737%	<u>6,230,532</u>
Subtotal, Overlapping Debt as of December 31, 2017			9,794,315
Byram Township School District Direct Debt			<u>2,165,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 11,959,315</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$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	\$29,257,890
Total Net Debt Applicable to Limit	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	2,165,000
Legal Debt Margin	\$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	\$27,092,890
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	21.04%	19.60%	18.38%	17.13%	16.15%	14.99%	13.77%	12.14%	9.87%	7.40%

Legal Debt Margin Calculation for Fiscal Year 2018

	Year	Equalized Valuation Basis
Average Equalized Valuation of Taxable Property	2015	\$ 969,410,294
	2016	965,576,690
	2017	990,802,053
		<u>\$ 2,925,789,037</u>
		<u>\$ 975,263,012</u>
Debt Limit (3% of average equalization value) ^a		\$ 29,257,890
Net Bonded School Debt as of June 30, 2018		2,165,000
Legal Debt Margin		<u>\$ 27,092,890</u>

^a Limit set by N.J.S.A. 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
2009	8,478	\$ 46,651	\$ 395,507,178	5.50%
2010	8,404	47,230	396,920,920	9.20%
2011	8,365	48,958	409,533,670	9.80%
2012	8,287	50,597	419,297,339	9.50%
2013	8,217	51,132	420,151,644	9.50%
2014	8,148	53,138	432,968,424	5.70%
2015	8,062	54,998	443,393,876	5.10%
2016	7,996	56,183	449,239,268	4.50%
2017	7,983 *	56,183 **	448,508,889 ***	4.20%
2018	7,983 *	56,183 **	448,508,889 ***	N/A

* - Latest Sussex County population available (2017) was used for calculation purposes.

** - Latest Sussex County per capita income available (2016) was used for calculation purposes.

*** - Latest available population data (2017) and latest available Sussex County per capita personal income (2016) 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 2007 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

	2017		2008		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
Newton Medical Center		1,000-4,999	Mountain Creek/Intrawest	1,387	16.18%
County of Sussex		500-999	Crystal Springs Golf and Spa Resort	1,153	13.45%
Thorlabs		500-999	Newton Memorial Hospital	1,148	13.39%
Sussex County Community College		250-499	County of Sussex	855	9.97%
Newton 213 LLC, C/O Ronetco		100-249	Selective Insurance	800	9.33%
Bristol Glen		100-249	Shop Rite (Ronetic Supermarkets, Inc.)	718	8.37%
Barn Hill Care Center		100-249	Vernon Township Board of Education	703	8.20%
Home Depot		100-249	Andover Sub Acute & Rehab Center	700	8.16%
Kohls		100-249	Sparta Board of Education	570	6.65%
Superior Court of Newton		100-249	Hopatcong Board of Education	540	6.30%
Total		<u>4,450-14,990</u>	Total	<u>8,574</u>	<u>100.00%</u>
Total Employment		<u>71,981</u>	Total Employment	<u>80,859</u>	

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction:										
Regular	70.5	64.0	56.0	59.0	62.0	68.0	65.0	61.7	59.1	58.9
Special Education	23.0	25.0	24.0	27.0	22.0	17.0	27.0	33.6	39.5	31.5
Other	4.0	4.0	4.0	3.0			3.0	2.0	3.0	5.2
Support Services:										
Student & Instruction Related Services	8.0	6.0	8.0	6.0	15.0	29.0	21.5	19.0	18.0	25.9
School Administrative Services	7.0	6.0	5.0	5.0	5.0	8.5	7.0	7.0	6.5	7.0
General Administrative Services	4.0	4.0	4.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5
Central Services	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Plant Operations and Maintenance	12.0	12.0	12.0	10.0	11.0	12.5	11.0	10.3	10.3	10.5
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	2.0	2.0	1.2	1.2	1.2
Pupil Transportation										
	<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>	<u>145.7</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				
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%	
2018	844	16,538,636	19,596	4.05%	99.0	8.5:1	844	804	-2.88%	95.26%	

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 Buildings

Byram Lakes Elementary School:

<u>Fiscal Year</u>	<u>Square Feet</u>	<u>Capacity (Students)</u>	<u>Enrollment</u>
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
2018	85,173	892	420

Intermediate Middle School:

<u>Fiscal Year</u>	<u>Square Feet</u>	<u>Capacity (Students)</u>	<u>Enrollment</u>
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
2018	87,931	614	424

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-XXX

Facility	Project #(s)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>School Facilities:</u>											
Byram Lakes Elementary	N/A	\$ 29,859	\$ 31,117	\$ 20,867	\$ 32,080	\$ 38,319	\$ 82,595	\$ 37,111	\$ 60,813	\$ 54,878	\$ 63,704
Intermediate Middle	N/A	97,870	50,921	48,435	134,685	46,321	79,357	104,777	186,473	95,800	90,169
Total School Facilities		<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>	<u>\$ 153,873</u>

N/A - Not Applicable

Source: Byram Township School District Records.

BYRAM TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2018
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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 18, 2019.

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

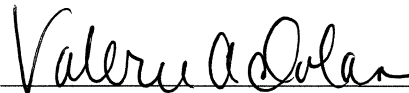
As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

January 18, 2019
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, 2018. 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, 2018.

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.

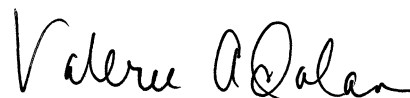
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

January 18, 2019
Mount Arlington, New Jersey

NISIVOCCIA 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, 2018**

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, 2017			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2018		
					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	IDEA0640-18	7/1/17-6/30/18	\$ 179,444			\$ 130,000	\$ (179,444)		\$ (49,444)			
I.D.E.A. Part B, Preschool	84.173	IDEA0640-18	7/1/17-6/30/18	10,316			10,316	(10,316)					
Total Special Education Cluster							140,316	(189,760)		(49,444)			
Elementary and Secondary Education Act													
Title I	84.010A	ESEA0640-18	7/1/17-6/30/18	55,339			42,491	(55,339)		(12,848)			
Title I- Carryover	84.010A	ESEA0640-17	7/1/16-6/30/17	62,631			17,761						
Title II, Part A	84.367A	ESEA0640-18	7/1/17-6/30/18	13,171			12,355	(13,128)		(773)			
Title II, Part A- Carryover	84.367A	ESEA0640-17	7/1/16-6/30/17	13,887			1,615						
Title II, Part A- Carryover	84.367A	ESEA0640-16	7/1/15-6/30/16	13,529					\$ (6,600)				
Title IV	84.186A	ESEA0640-18	7/1/17-6/30/18	10,000				(5,986)		(5,986)			
Total Special Revenue Fund							214,538	(264,213)	(6,600)	(69,051)			
Total U.S. Department of Education							214,538	(264,213)	(6,600)	(69,051)			
U.S. Department of Agriculture:													
Passed-through State Department of Agriculture:													
Child Nutrition Cluster:													
U.S.D.A Commodities Program	10.555	N/A	7/1/17-6/30/18	18,640			18,640	(15,540)				\$ 3,100	
U.S.D.A Commodities Program	10.555	N/A	7/1/16-6/30/17	17,700				(3,109)					
National School Lunch Program	10.555	N/A	7/1/17-6/30/18	37,705			33,296	(37,705)				(4,409)	
National School Lunch Program	10.555	N/A	7/1/16-6/30/17	35,718			2,877						
Total U.S. Department of Agriculture/Child Nutrition Cluster							54,813	(56,354)		(4,409)		3,100	
Total Federal Awards							\$ (22,253)	\$ 3,109	\$ 6,600	\$ (73,460)	\$ (6,600)	\$ 3,100	\$ -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, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2017		Balance at June 30, 2018		MEMO	
				Budgetary Accounts Receivable	Cash Received	GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
Enterprise Fund:									
State School Lunch Program	18-100-010-3350-023	7/1/17 - 6/30/18	\$ 2,232	\$ (147)	\$ 1,958	\$ (274)	\$ -	\$ (274)	\$ 2,232
State School Lunch Program	17-100-010-3350-023	7/1/16 - 6/30/17	1,796		147				1,796
Total Enterprise Fund				(147)	2,105	(274)	(274)	(274)	4,028
Total State Awards Subject to Single Audit Determination				\$ (510,897)	\$ 6,069,936	\$ (70,557)	\$ -0-	\$ (491,179)	\$ 10,302,147
Less: State Awards Not Subject to Single Audit Major Program Determination									
On-Behalf TPAF Pension System Contributions:									
On-Behalf TPAF Post Retirement Contributions	18-495-034-5094-001	7/1/17 - 6/30/18	(645,029)		\$ 645,029				
On-Behalf TPAF Pension Contributions	18-495-034-5094-002	7/1/17 - 6/30/18	(975,024)		975,024				
On-Behalf TPAF Non-Contributory Insurance	18-495-034-5094-004	7/1/17 - 6/30/18	(23,661)		23,661				
On-Behalf TPAF Long-Term Disability Insurance	18-495-034-5094-004	7/1/17 - 6/30/18	(1,916)		1,916				
Subtotal - On-Behalf TPAF Pension System Contributions					1,645,630				
Total State Awards Subject to Single Audit Major Program Determination									\$ (4,404,588)

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, 2018

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, 2018. 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 (\$987) for the General Fund and (\$3,200) for the Special Revenue Fund (for local grants). 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, 2018
(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:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 6,046,999	\$ 6,046,999
Special Revenue Fund	\$ 264,213		264,213
Food Service Fund	56,354	2,232	58,586
Total Awards	<u>\$ 320,567</u>	<u>\$ 6,049,231</u>	<u>\$ 6,369,798</u>

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, 2018.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA) GRANT

The District has an active grant awarded in the amount of \$356,294 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2018, \$356,294 of the grant funds have been expended and \$309,835 have been drawn down and received. As of June 30, 2018, 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, 2018

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, 2018 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	18-495-034-5120-078	7/1/17 - 6/30/18	\$ 2,512,278	\$ 2,512,278
School Choice Aid	18-495-034-5120-068	7/1/17 - 6/30/18	336,362	336,362
Special Education Categorical Aid	18-495-034-5120-089	7/1/17 - 6/30/18	542,873	542,873
Security Aid	18-495-034-5120-084	7/1/17 - 6/30/18	70,573	70,573
PARCC Readiness Aid	18-495-034-5120-098	7/1/17 - 6/30/18	8,395	8,395
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17 - 6/30/18	8,395	8,395
Professional Learning Community Aid	18-495-034-5120-101	7/1/17 - 6/30/18	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, 2018
(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, 2018

Status of Prior Year Findings:

There were no prior year audit findings.