

**BYRAM TOWNSHIP  
SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2019**

**Comprehensive Annual  
Financial Report**

**of the**

**BYRAM TOWNSHIP SCHOOL DISTRICT**

**Byram, New Jersey**

**For the Fiscal Year Ended June 30, 2019**

**Prepared by**

**Byram Township Board of Education  
Finance Department**

INTRODUCTORY SECTION

BYRAM TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2019

INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal.....	1
Organizational Chart .....	6
Roster of Officials .....	7
Consultants and Advisors.....	8

FINANCIAL SECTION..... 9

Independent Auditors' Report .....	10
Required Supplementary Information .....	13
Management's Discussion and Analysis (Unaudited) .....	14
Basic Financial Statements (Sections A. and B.) .....	22
A. District-Wide Financial Statements .....	23
A-1 Statement of Net Position.....	24
A-2 Statement of Activities .....	25
B. Fund Financial Statements.....	27
B-1 Balance Sheet – Governmental Funds .....	28
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	30
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	32
B-4 Statement of Net Position – Proprietary Funds.....	34
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds .....	35
B-6 Statement of Cash Flows – Proprietary Funds .....	36
B-7 Statement of Fiduciary Net Position – Fiduciary Funds .....	37
B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	38
Notes to the Basic Financial Statements .....	39

Required Supplementary Information (Unaudited) ..... 76

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions (Unaudited).....	77
L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System .....	77
L-2 Schedule of District Contributions – Public Employees Retirement System.....	78
L-3 Schedule of State's Proportionate Share of the Net Pension Liability Attributable to the District - Teacher's Pension and Annuity Fund.....	79
L-4 Schedule of State Contributions – Teacher's Pension and Annuity Fund.....	80
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios .....	81
Notes to Required Supplementary Information .....	82

BYRAM TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

FINANCIAL SECTION (Cont'd)

Supplementary Schedules (Sections C. to I.)

C.	Budgetary Comparison Schedules (Unaudited).....	85
C-1	Budgetary Comparison Schedule – General Fund .....	86
C-2	Budgetary Comparison Schedule - Special Revenue Fund.....	97
C-3	Budgetary Comparison Schedule – Note to RSI.....	98
Other Supplementary Schedules (D.-I.)		
D.	School Level Schedules (Not Applicable).....	99
E.	Special Revenue Fund.....	100
E-1	Combining Schedule of Program Revenue and Expenditures - Special Revenue Fund – Budgetary Basis.....	101
E-2	Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F.	Capital Projects Fund.....	102
F-1	Summary Schedule of Revenue, Expenditures and Changes in Fund Balance .....	103
F-1a	Schedule of Project Revenues, Expenditures, Project Balances and Project Status – Roof Replacement – Byram Intermediate School.....	104
G.	Proprietary Funds.....	105
G-1	Statement of Net Position Food Service Enterprise Fund.....	106
G-2	Statement of Revenue, Expenses and Changes in Fund Net Position Food Service Enterprise Fund.....	107
G-3	Statement of Cash Flows Food Service Enterprise Fund .....	108
H.	Fiduciary Funds .....	109
H-1	Combining Statement of Net Position.....	110
H-2	Statement of Changes in Net Position.....	111
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements.....	112
H-4	Student Activity Agency Fund Statement of Activity.....	113
H-5	Payroll Agency Fund - Schedule of Receipts and Disbursements .....	114
I.	Long-Term Debt.....	115
I-1	Schedule of Serial Bonds .....	116
I-2	Schedule of Obligations Under Capital Leases (Not Applicable).....	117
I-3	Debt Service Fund Budgetary Comparison Schedule .....	118
J.	Statistical Section (Unaudited).....	119
J-1	Net Position by Component .....	120
J-2	Changes in Net Position .....	122
J-3	Fund Balances - Governmental Funds .....	128
J-4	Changes in Fund Balances - Governmental Funds .....	130

BYRAM TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

FINANCIAL SECTION (Cont'd)

J. Statistical Section (Unaudited) (Cont'd)

J-5	General Fund Other Local Revenue by Source .....	134
J-6	Assessed Value and Actual Value of Taxable Property .....	135
J-7	Direct and Overlapping Property Tax Rates .....	136
J-8	Principal Property Taxpayers, Current and Nine Years Ago.....	137
J-9	Property Tax Levies and Collections .....	138
J-10	Ratios of Net Outstanding Debt by Type.....	139
J-11	Ratios of Net General Bonded Debt Outstanding .....	140
J-12	Ratios of Overlapping Governmental Activities Debt.....	141
J-13	Legal Debt Margin Information.....	142
J-14	Demographic and Economic Statistics .....	143
J-15	Principal Employers, Current and Nine Years Ago .....	144
J-16	Full-time Equivalent District Employees by Function/Program.....	145
J-17	Operating Statistics .....	146
J-18	School Building Information .....	147
J-19	Schedule of Required Maintenance Expenditures For School Facilities .....	148
J-20	Insurance Schedule .....	149

K. Single Audit Section..... 150

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	151
K-2	Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance.....	153
K-3	Schedule of Expenditures of Federal Awards.....	155
K-4	Schedule of Expenditures of State Awards.....	156
K-5	Notes to the Schedules of Expenditures of Federal and State Awards .....	158
K-6	Schedule of Findings and Questioned Costs.....	160
K-7	Summary Schedule of Prior Audit Findings.....	162

# TOWNSHIP OF BYRAM BOARD OF EDUCATION

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November 12, 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, 2019. 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 9<sup>th</sup> through 12<sup>th</sup> 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 2018-19 fiscal year with an average daily enrollment of 815 students, which is 29 students less than the previous year’s average daily enrollment. The District’s average daily enrollments 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>
2018-19	815	-3.67%
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%



### **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 \$2 million in State aid over the next six 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 to ensure they 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.

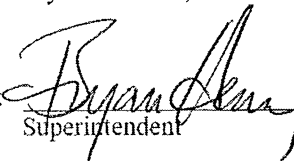
### **Independent Audit**

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**

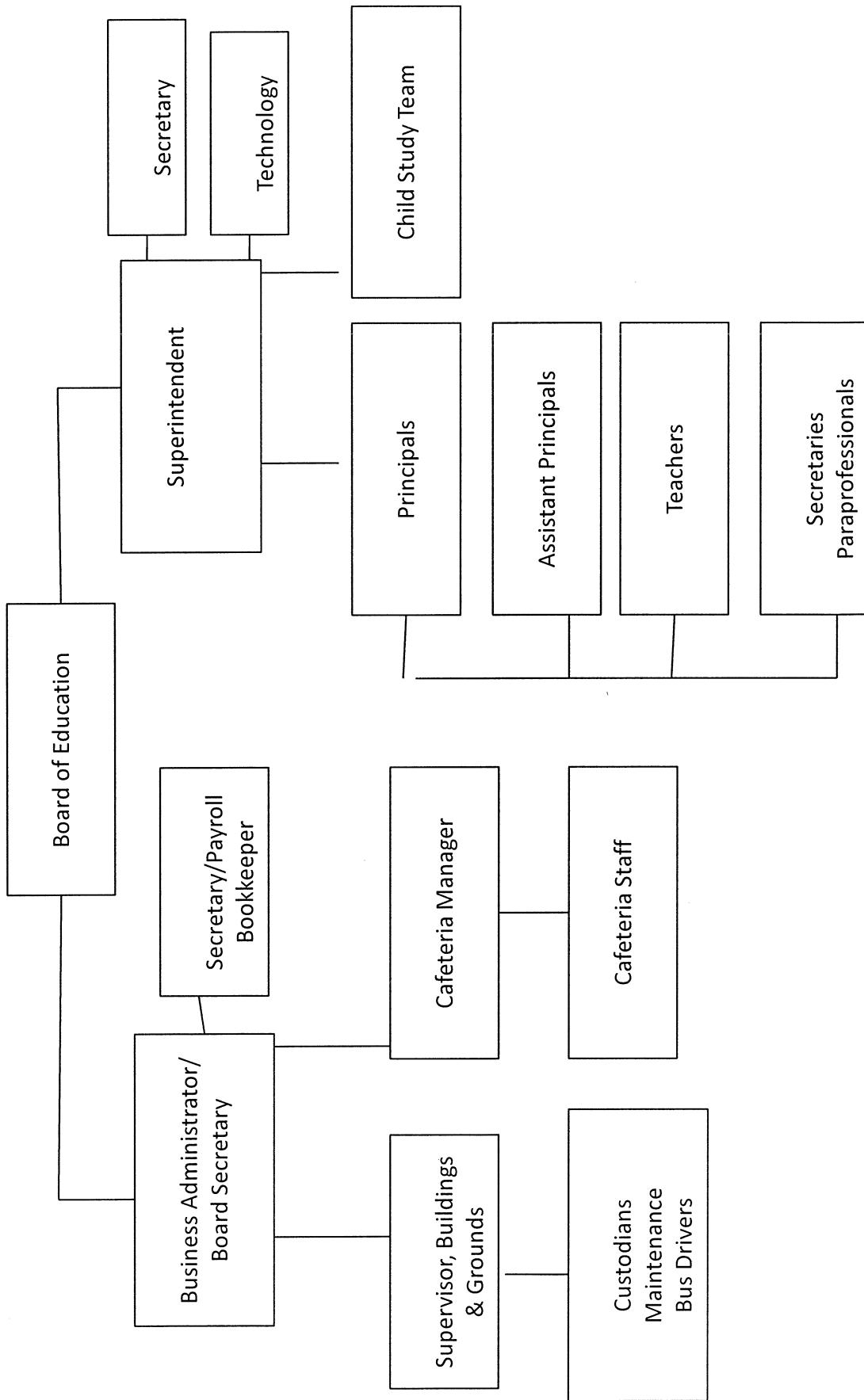
We would like to express our appreciation to the members of the Township of Byram School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. 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, 2019**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Andrew McElroy	President	2019
Kathleen Walsh	Vice President	2021
Shelley Credidio	Member	2019
Kelley Dilley	Member	2020
MaryAnn Riskey	Member	2020
Lori Sanchez	Member	2020
Kristy McFarlane	Member	2021

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**

**Audit Firm**

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**Official Depository**

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**Insurance Agent**

Arthur J. Gallagher & Company  
(formerly the Morville Agency)  
55 Newton-Sparta Road #102  
Newton, New Jersey 07860

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, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*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 other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying other supplementary schedules 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 other 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.

The Honorable President and Members  
of the Board of Education  
Byram Township School District  
Page 3

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.

November 12, 2019  
Mount Arlington, New Jersey

NISIVOCCIA LLP



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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, 2019  
(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, 2019. 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.

**Overview of the Financial Statements**

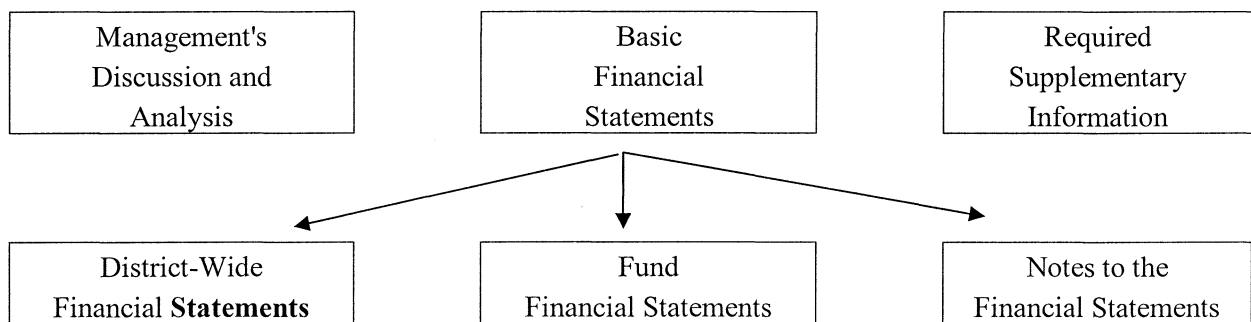
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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, 2019  
(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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
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, 2019**  
(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, 2019  
(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, 2019 increased \$1,082,091 from the previous year. The net position from governmental activities increased \$1,091,862 and the net position from business-type activities decreased \$9,771. The net investment in capital assets increased by \$912,983, due to capital asset additions of \$924,838, redemption of outstanding debt of \$705,000, offset by depreciation expense of \$713,508 and capital asset deletions of \$3,347. Restricted net position increased by \$878,093 due to an increase in maintenance reserve of \$700,000 and an increase in the capital reserve of \$178,395, offset by a decrease in the debt service fund of \$302. Unrestricted net position decreased by \$708,985, mainly due to a decrease in encumbrances of \$908,943, an increase in deferred inflows of \$391,986, offset by a decrease in net pension liability of \$752,180 and in deferred outflows related to pensions of \$313,485.

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

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	
Current and Other Assets	\$ 4,135,789	\$ 4,083,937	\$36,659	\$46,593	\$ 4,172,448	\$ 4,130,530	
Capital Assets, Net	14,118,998	13,906,967	12,107	16,155	14,131,105	13,923,122	
Total Assets	<u>18,254,787</u>	<u>17,990,904</u>	<u>48,766</u>	<u>62,748</u>	<u>18,303,553</u>	<u>18,053,652</u>	1.38%
Deferred Outflows of Resources	<u>629,097</u>	<u>958,620</u>			<u>629,097</u>	<u>958,620</u>	-34.37%
Other Liabilities	285,919	340,339	21,798	26,009	307,717	366,348	
Long-Term Liabilities	<u>4,277,000</u>	<u>5,772,068</u>			<u>4,277,000</u>	<u>5,772,068</u>	
Total Liabilities	<u>4,562,919</u>	<u>6,112,407</u>	<u>21,798</u>	<u>26,009</u>	<u>4,584,717</u>	<u>6,138,416</u>	-25.31%
Deferred Inflows of Resources	<u>1,250,624</u>	<u>858,638</u>			<u>1,250,624</u>	<u>858,638</u>	45.65%
Net Position:							
Net Investment in							
Capital Assets	12,658,998	11,741,967	12,107	16,155	12,671,105	11,758,122	
Restricted	3,803,409	2,925,316			3,803,409	2,925,316	
Unrestricted / (Deficit)	<u>(3,392,066)</u>	<u>(2,688,804)</u>	<u>14,861</u>	<u>20,584</u>	<u>(3,377,205)</u>	<u>(2,668,220)</u>	
Total Net Position	<u>\$ 13,070,341</u>	<u>\$ 11,978,479</u>	<u>\$26,968</u>	<u>\$36,739</u>	<u>\$ 13,097,309</u>	<u>\$ 12,015,218</u>	9.01%

**Byram Township School District  
Management Discussion and Analysis  
For This Fiscal Year Ended June 30, 2019  
(Unaudited)**

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	
Revenue:							
Program Revenue:							
Charges for Services			\$ 169,027	\$ 166,233	\$ 169,027	\$ 166,233	
Operating Grants & Contributions	\$ 5,464,744	\$ 6,820,704	56,524	58,586	5,521,268	6,879,290	
General Revenue:							
Property Taxes	12,029,810	11,810,578			12,029,810	11,810,578	
Tuition	42,000	34,500			42,000	34,500	
Unrestricted Federal & State Aid	3,016,162	2,943,550			3,016,162	2,943,550	
Other	186,475	65,345	355	4	186,830	65,349	
Total Revenue	<u>20,739,191</u>	<u>21,674,677</u>	<u>225,906</u>	<u>224,823</u>	<u>20,965,097</u>	<u>21,899,500</u>	-4.27%
Expenses:							
Instruction	11,611,342	12,719,044			11,611,342	12,719,044	
Pupil & Instruction Services	3,425,943	3,352,845			3,425,943	3,352,845	
Administrative & Business	1,730,697	1,934,388			1,730,697	1,934,388	
Maintenance & Operations	1,619,645	1,659,664			1,619,645	1,659,664	
Transportation	587,609	576,791			587,609	576,791	
Other	672,093	714,799	234,438	241,807	906,531	956,606	
Total Expenses	<u>19,647,329</u>	<u>20,957,531</u>	<u>234,438</u>	<u>241,807</u>	<u>19,881,767</u>	<u>21,199,338</u>	-6.22%
Capital Asset Adjustment			(1,239)		(1,239)		
Transfers		(9,786)		9,786			
Change in Net Position	<u>\$ 1,091,862</u>	<u>\$ 707,360</u>	<u>\$ (9,771)</u>	<u>\$ (7,198)</u>	<u>\$ 1,082,091</u>	<u>\$ 700,162</u>	54.55%

**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. 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, 2019  
(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>2018/2019</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2017/2018</u>
Instruction	\$ 11,611,342	\$ 12,719,044	\$ 7,571,707	\$ 7,792,035
Pupil and Instruction Services	3,425,943	3,352,845	2,680,951	2,470,292
Administrative and Business	1,730,697	1,934,388	1,371,852	1,440,348
Maintenance and Operations	1,619,645	1,659,664	1,509,365	1,456,553
Transportation	587,609	576,791	334,617	228,300
Other	672,093	714,799	672,093	714,799
	<u>\$ 19,647,329</u>	<u>\$ 20,957,531</u>	<u>\$ 14,140,585</u>	<u>\$ 14,102,327</u>

**Business-Type Activities**

Net position from the District's business-type activity decreased by \$9,771. Revenues increased by \$1,083 from the prior year; however, they were less than the current year expenditures of \$8,532, which were also decreased from the prior year by \$7,369. There are also an adjustment to capital assets of \$1,239 in the current year.

**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, 2019**  
(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 \$14,118,998 in capital assets as shown in Figure A-6. Capital Assets had a net increase of \$207,983 or 1.49% more than the prior year. The District had \$924,838 of additions offset by \$713,508 of depreciation expense, and \$3,347 of deletions.

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

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	
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	795,366	878,797			795,366	878,797	
Buildings and Building Improvements	10,510,320	\$ 10,241,368			10,510,320	10,241,368	
Machinery and Equipment	619,225	592,715	\$ 12,107	\$ 16,155	631,332	608,870	
<b>Total Capital Assets (Net of Depreciation)</b>	<b>\$ 14,118,998</b>	<b>\$ 13,906,967</b>	<b>\$ 12,107</b>	<b>\$ 16,155</b>	<b>\$ 14,131,105</b>	<b>\$ 13,923,122</b>	<b>1.49%</b>

**Long-term Liabilities**

At year-end, the District had \$1,460,000 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
	2018/2019	2017/2018	
General Obligation Bonds (Financed with Property Taxes)	\$ 1,460,000	\$ 2,165,000	
Net Pension Liability	2,568,484	3,320,664	
Early Retirement Incentive Program Payable	50,729	73,232	
Compensated Absences	197,787	213,172	
	<b>\$ 4,277,000</b>	<b>\$ 5,772,068</b>	<b>-25.90%</b>

**Byram Township School District  
Management Discussion and Analysis  
For This Fiscal Year Ended June 30, 2019  
(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 6 years of approximately \$2 million
- Rising costs and increased need for professional related services
- Increasing transportation and insurance 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, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 182,707	\$ 26,317	\$ 209,024
Interfund Receivable	35,276		35,276
Receivable from State Government	106,590	152	106,742
Receivable from Federal Government	1,810	2,721	4,531
Receivables from Other Governments	6,255		6,255
Inventories		7,469	7,469
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	2,953,151		2,953,151
Maintenance Reserve Account - Cash and Cash Equivalents	850,000		850,000
Capital Assets:			
Site (Land) and Construction in Progress	2,931,953		2,931,953
Depreciable Site Improvements, Building and Building Improvements, and Machinery and Equipment	<u>11,187,045</u>	<u>12,107</u>	<u>11,199,152</u>
Total Assets	<u>18,254,787</u>	<u>48,766</u>	<u>18,303,553</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflow Related to Pensions	<u>629,097</u>		<u>629,097</u>
Total Deferred Outflows of Resources	<u>629,097</u>		<u>629,097</u>
<b>LIABILITIES</b>			
Accrued Interest Payable	7,196		7,196
Accounts Payable - Vendors	266,317	13,588	279,905
Unearned Revenue	12,406	8,210	20,616
Noncurrent Liabilities:			
Due Within One Year	744,360		744,360
Due Beyond One Year	<u>3,532,640</u>		<u>3,532,640</u>
Total Liabilities	<u>4,562,919</u>	<u>21,798</u>	<u>4,584,717</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflow Related to Pensions	<u>1,250,624</u>		<u>1,250,624</u>
Total Deferred Inflows of Resources	<u>1,250,624</u>		<u>1,250,624</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	12,658,998	12,107	12,671,105
Restricted for:			
Debt Service	258		258
Capital Projects	2,953,151		2,953,151
Maintenance	850,000		850,000
Unrestricted (Deficit)	<u>(3,392,066)</u>	<u>14,861</u>	<u>(3,377,205)</u>
Total Net Position	<u>\$ 13,070,341</u>	<u>\$ 26,968</u>	<u>\$ 13,097,309</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, 2019

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
Governmental Activities:						
Instruction:						
Regular	\$ 7,801,232		\$ 2,204,626	\$ (5,596,606)		\$ (5,596,606)
Special Education	3,022,490		1,628,463	(1,394,027)		(1,394,027)
Other Special Instruction	431,825		206,546	(225,279)		(225,279)
School-Sponsored/Other Instruction	355,795			(355,795)		(355,795)
Support Services:						
Tuition	306,449	\$ 42,000		(264,449)		(264,449)
Student & Instruction Related Services	3,119,494		702,992	(2,416,502)		(2,416,502)
General Administrative Services	510,551		100,317	(410,234)		(410,234)
School Administrative Services	772,430		172,462	(599,968)		(599,968)
Central Services	420,389		86,066	(334,323)		(334,323)
Administrative Information Technology	27,327			(27,327)		(27,327)
Plant Operations and Maintenance	1,619,645		110,280	(1,509,365)		(1,509,365)
Pupil Transportation	587,609		252,992	(334,617)		(334,617)
Capital Outlay	63,819			(63,819)		(63,819)
Unallocated Depreciation	371,052			(371,052)		(371,052)
Transfer to Charter School	204,175			(204,175)		(204,175)
Interest on Long-Term Debt	33,047			(33,047)		(33,047)
<b>Total Governmental Activities</b>	<b>19,647,329</b>	<b>42,000</b>	<b>5,464,744</b>	<b>(14,140,585)</b>		<b>(14,140,585)</b>

BYRAM TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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	\$ 234,438	\$ 169,027	\$ 56,524		\$ (8,887)	\$ (8,887)
Total Business-Type Activities	234,438	169,027	56,524		(8,887)	(8,887)
Total Primary Government	\$ 19,881,767	\$ 211,027	\$ 5,521,268	\$ (14,140,585)	(8,887)	(14,149,472)
General Revenue and Other Item:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 11,288,589		\$ 11,288,589
Taxes Levied for Debt Service				741,221		741,221
Federal and State Aid not Restricted				3,016,162		3,016,162
Interest					\$ 355	355
Miscellaneous Income				186,475		186,475
Adjustment to Capital Assets					(1,239)	(1,239)
Total General Revenue and Other Item				15,232,447	(884)	15,231,563
Change in Net Position				1,091,862	(9,771)	1,082,091
Net Position - Beginning				11,978,479	36,739	12,015,218
Net Position - Ending				\$ 13,070,341	\$ 26,968	\$ 13,097,309

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, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 112,803	\$ 12,146	\$ 57,500	\$ 258	\$ 182,707
Interfund Receivable	35,276				35,276
Receivables From Federal Government		1,810			1,810
Receivables From State Government	106,590				106,590
Other Receivables	6,255				6,255
Restricted Cash and Cash Equivalents	3,803,151				3,803,151
<b>Total Assets</b>	<b>\$ 4,064,075</b>	<b>\$ 13,956</b>	<b>\$ 57,500</b>	<b>\$ 258</b>	<b>\$ 4,135,789</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable - Vendors	\$ 71,505	\$ 3,350	\$ 57,500		\$ 132,355
Unearned Revenue	1,800	10,606			12,406
<b>Total Liabilities</b>	<b>73,305</b>	<b>13,956</b>	<b>57,500</b>		<b>144,761</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve Account	2,953,151				2,953,151
Maintenance Reserve Account	850,000				850,000
Debt Service Fund				258	258
<b>Assigned:</b>					
Year End Encumbrances	87,086				87,086
For Subsequent Year's Expenditures	60,000				60,000
Unassigned	40,533				40,533
<b>Total Fund Balances</b>	<b>3,990,770</b>			<b>258</b>	<b>3,991,028</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,064,075</b>	<b>\$ 13,956</b>	<b>\$ 57,500</b>	<b>\$ 258</b>	<b>\$ 4,135,789</b>

BYRAM TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019  
(Continued)

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

Total Fund Balances - Governmental Funds (Above)	\$ 3,991,028
Capital assets used in Governmental Activities are not financial resources and are not reported in the Funds.	14,118,998
Interest on long-term debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(7,196)
Long-Term Liabilities are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(1,708,516)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(2,568,484)
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	495,135
Deferred Inflows	<u>(1,250,624)</u>
Net Position of Governmental Activities	<u>\$ 13,070,341</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, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 11,288,589			\$ 741,221	\$ 12,029,810
Tuition - Other Sources	42,000				42,000
Interest Earned on Investments	45,592				45,592
Rents and Royalties	14,938				14,938
Miscellaneous	125,945	\$ 9,540			135,485
Total - Local Sources	11,517,064	9,540		741,221	12,267,825
State Sources	6,370,510				6,370,510
Federal Sources		241,314			241,314
Total Revenue	17,887,574	250,854		741,221	18,879,649
EXPENDITURES:					
Current:					
Regular Instruction	4,153,514	62,769			4,216,283
Special Education Instruction	1,593,457	188,085			1,781,542
Other Special Instruction	423,067				423,067
School Sponsored/Other Instruction	23,528				23,528
Support Services and Undistributed Costs:					
Tuition	306,449				306,449
Student & Instruction Related Services	1,953,598				1,953,598
General Administrative Services	343,999				343,999
School Administrative Services	463,027				463,027
Central Services	264,715				264,715

BYRAM TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Support Services and Undistributed Costs:					
Administrative Information Technology	\$ 88,092				\$ 88,092
Plant Operations and Maintenance	1,314,454				1,314,454
Pupil Transportation	558,325				558,325
Unallocated Benefits	5,194,041				5,194,041
Capital Outlay	916,073				916,073
Transfer of Funds to Charter Schools	204,175				204,175
Debt Service:					
Principal				\$ 705,000	705,000
Interest and Other Charges				36,523	36,523
Total Expenditures	<u>17,800,514</u>	<u>\$ 250,854</u>		<u>741,523</u>	<u>18,792,891</u>
Excess/(Deficit) of Revenue over/(under) Expenditures	87,060			(302)	86,758
Fund Balance - July 1	<u>3,903,710</u>			<u>560</u>	<u>3,904,270</u>
Fund Balance - June 30	<u>\$ 3,990,770</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 258</u>	<u>\$ 3,991,028</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, 2019

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 86,758

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

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

	\$	(710,699)
Depreciation Expense		924,838
Capital Outlays		(2,108)
Disposal of Assets with Carrying Value		212,031

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

Changes in Net Pension Liability		752,180
Changes in Deferred Outflows		(313,485)
Changes in Deferred Inflows		46,709

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

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

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, 2019

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 (+)

\$ 15,385

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. (+)

3,476

Change in Net Position (Exhibit A-2)

\$ 1,091,862

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, 2019

	Business-type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 26,317
Intergovernmental Accounts Receivable:	
Federal	2,721
State	152
Inventories	<u>7,469</u>
Total Current Assets	<u>36,659</u>
Non-Current Assets:	
Capital Assets	271,005
Less: Accumulated Depreciation	<u>(258,898)</u>
Total Non-Current Assets	<u>12,107</u>
Total Assets	<u>48,766</u>
 <b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable - Vendors	13,588
Unearned Revenue - Prepaid Sales	4,947
Unearned Revenue - Donated Commodities	<u>3,263</u>
Total Current Liabilities	<u>21,798</u>
 <b>NET POSITION:</b>	
Investment in Capital Assets	12,107
Unrestricted	<u>14,861</u>
Total Net Position	<u><u>\$ 26,968</u></u>

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, 2019

	Business-type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 108,210
Daily Sales - Non-Reimbursable Programs	56,373
Special Events	4,444
	169,027
Total Operating Revenue	169,027
Operating Expenses:	
Cost of Sales - Reimbursable Programs	67,654
Cost of Sales - Non-Reimbursable Programs	26,815
Salaries, Benefits and Payroll Taxes	106,159
Supplies and Other Costs	20,451
Management Fee	10,550
Depreciation Expense	2,809
	234,438
Total Operating Expenses	234,438
Operating Loss	(65,411)
Non-Operating Income:	
Local Sources:	
Interest Income	355
State Sources:	
State School Lunch Program	2,155
Federal Sources:	
School Breakfast Program	1,927
National School Lunch Program	36,990
Food Distribution Program	15,452
	56,879
Total Non-Operating Income	56,879
Change in Net Position Before Other Item	(8,532)
Other Item:	
Adjustment to Capital Assets	(1,239)
	(1,239)
Total Other Item	(1,239)
Change in Net Position After Other Item	(9,771)
Net Position - Beginning of Year	36,739
Net Position - End of Year	\$ 26,968

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, 2019

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 169,543
Payments to Employees	(106,159)
Payments to Food Service Vendor	(95,379)
Payments to Suppliers	(20,451)
Net Cash Used for Operating Activities	<u>(52,446)</u>
Cash Flows from Noncapital Financing Activities:	
Local Sources:	
Interest Income	355
State Sources:	
State School Lunch Program	2,277
Federal Sources:	
National School Breakfast Program	1,784
National School Lunch Program	38,821
Net Cash Provided by Noncapital Financing Activities	<u>43,237</u>
Net Decrease in Cash and Cash Equivalents	(9,209)
Cash and Cash Equivalents, July 1	<u>35,526</u>
Cash and Cash Equivalents, June 30	<u>\$ 26,317</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:	
Operating Loss	\$ (65,411)
Adjustment to Reconcile Operating Loss to Cash Provided by (Used for) Operating Activities:	
Depreciation	2,809
Food Distribution Program	15,452
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventories	(1,085)
Increase/(Decrease) in Unearned - Donated Commodities	163
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	516
Increase/(Decrease) in Accounts Payable	(4,890)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (52,446)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received commodities valued at \$15,615 and utilized commodities valued at \$15,452 from the Federal Food Distribution Program for the fiscal year ended June 30, 2019.

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, 2019

	<u>Agency</u>	<u>Unemployment Compensation Trust Fund</u>
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ 242,013	\$ 92,864
Total Assets	<u>242,013</u>	<u>92,864</u>
<b>LIABILITIES:</b>		
Due to Student Groups	44,437	
Accrued Salaries and Wages	162,300	
Interfund Payable - General Fund	<u>35,276</u>	
Total Liabilities	<u>242,013</u>	
<b>NET POSITION:</b>		
Held in Trust for Unemployment		<u>92,864</u>
Total Net Position	<u>\$ - 0 -</u>	<u>\$ 92,864</u>

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, 2019

	<u>Unemployment Compensation Trust Fund</u>
Additions:	
Contributions:	
Plan Contributions	\$ 15,228
Board Contributions	<u>20,000</u>
Total Contributions	<u>35,228</u>
Investment Earnings:	
Interest	<u>680</u>
Net Investment Earnings	<u>680</u>
Total Additions	<u>35,908</u>
Deductions:	
Unemployment Claims	<u>27,046</u>
Total Deductions	<u>27,046</u>
Change in Net Position	8,862
Net Position - Beginning of the Year	<u>84,002</u>
Net Position - End of the Year	<u><u>\$ 92,864</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, 2019

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, 2019  
(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, 2019  
(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, 2019  
(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, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2019 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	\$ 17,886,206	\$ 247,654
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.		
Prior Year Encumbrances		3,200
Prior Year State Aid Payments Recognized for GAAP Basis	374,163	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(372,795)	
Total Revenues as Reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds.	\$ 17,887,574	\$ 250,854



BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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	\$ 17,800,514	\$ 247,654
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.		
Prior Year Encumbrances		3,200
Total Expenditures as Reported on the Statement of Revenue, Expenditures, & Changes in Fund Balances - Governmental Funds	\$ 17,800,514	\$ 250,854
	Capital Projects Fund	
	Revenue	Fund Balance
Revenue/Committed 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, 2019  
(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, 2019.

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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 \$162,300 of accrued salaries and wages as of June 30, 2019.

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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 \$3,990,770 General Fund balance at June 30, 2019, \$2,953,151 is restricted in the capital reserve account and \$850,000 in the maintenance reserve account; \$87,086 is assigned for year-end encumbrances, \$60,000 is designated for the 2019-2020 budget and \$40,533 of unassigned fund balance (which is \$372,795 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, 2020).

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2019 is \$258, which is restricted for debt service.

Capital Projects Fund: The Capital Projects Fund balance at June 30, 2019 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, 2019.

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(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 \$372,795 in unassigned fund balance, as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the related state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit Net Position:

The District has a deficit in unrestricted net position of \$3,392,066 which is primarily a result of compensated absences payable, early retirement incentive program payable, net pension liability and the related deferred inflows and outflows. The deficit does not indicate that the District is in 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, 2019 for pensions. The District had deferred inflows of resources at June 30, 2019 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, 2019  
(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, 2019 of \$46,459 on the budgetary basis.

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 for year-end encumbrances and designated for subsequent year's budget in the General Fund at June 30, 2019.

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, 2019  
(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, 2019  
(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, 2019

(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, 2019

(Continued)

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

Investments (Cont'd):

As of June 30, 2019, 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>Capital Reserve Account</u>	<u>Maintenance Reserve Account</u>	<u>Total</u>
Checking Accounts	\$ 543,901	\$ 2,953,151	\$ 850,000	\$ 4,347,052

The carrying amount of the Board's cash and cash equivalents at June 30, 2019, was \$4,347,052 and the bank balance was \$4,734,048. During the fiscal year ended June 30, 2019, 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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 2,774,756
Deposit by Board Resolution - June 29, 2019	185,895
Budget Withdrawal	<u>(7,500)</u>
Ending Balance, June 30, 2019	<u>\$ 2,953,151</u>

The balance in the capital reserve account at June 30, 2019 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, 2019  
(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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 150,000
Transferred per Board Resolution - June 29, 2019	700,000
Ending Balance, June 30, 2019	\$ 850,000

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2019 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 2,136,587			\$ 2,136,587
Construction in Progress	57,500			57,500
Total Capital Assets Not Being Depreciated	2,194,087			2,194,087
Capital Assets Being Depreciated:				
Site Improvements	1,609,952			1,609,952
Buildings and Building Improvements	19,999,810	\$ 774,980	\$ (6,570)	20,768,220
Machinery and Equipment	3,235,323	149,858		3,385,181
Total Capital Assets Being Depreciated	24,845,085	924,838	(6,570)	25,763,353
Governmental Activities Capital Assets	27,039,172	924,838	(6,570)	27,957,440
Less Accumulated Depreciation for:				
Site Improvements	(731,155)	(83,431)		(814,586)
Buildings and Building Improvements	(9,758,442)	(499,162)	(296)	(10,257,900)
Machinery and Equipment	(2,642,608)	(128,106)	4,758	(2,765,956)
	(13,132,205)	(710,699)	4,462	(13,838,442)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 13,906,967	\$ 214,139	\$ (2,108)	\$ 14,118,998
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 334,308		\$ (63,303)	\$ 271,005
Less Accumulated Depreciation	(318,153)	(2,809)	62,064	(258,898)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 16,155	\$ (2,809)	\$ (1,239)	\$ 12,107

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	371,052
Total	\$ 710,699

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2019, 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	\$ 2,165,000		\$ 705,000	\$ 1,460,000
Compensated Absences Payable	213,172	\$ 25,335	40,720	197,787
Early Retirement Incentive Program Payable	73,232		22,503	50,729
Net Pension Liability	3,320,664		752,180	2,568,484
Total Long Term Liabilities	<u>\$ 5,772,068</u>	<u>\$ 25,335</u>	<u>\$ 1,520,403</u>	<u>\$ 4,277,000</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, 2019 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>\$ 1,460,000</u>
			<u>\$ 1,460,000</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>	
2020	\$ 720,000	\$ 24,674	\$ 744,674
2021	740,000	12,506	752,506
	<u>\$ 1,460,000</u>	<u>\$ 37,180</u>	<u>\$ 1,497,180</u>

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

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

B. Bonds Authorized But Not Issued:

As of June 30, 2019, 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 \$197,787.

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, 2019, 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, 2019 is \$-0- and the long-term portion is \$2,568,484 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, 2019 is as follows:

Year Ending	Principal	Interest	Total
<u>June 30,</u>			
2020	\$ 24,360	\$ 4,184	\$ 28,544
2021	26,369	2,175	28,544
	<u>\$ 50,729</u>	<u>\$ 6,359</u>	<u>\$ 57,088</u>

The ERIP will be liquidated by the General Fund.

NOTE 8. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2019, the District transferred \$10,300 to the Capital Outlay accounts for equipment which did not require County Superintendent approval. The District also transferred \$7,500 to facilities acquisition and construction services accounts for which County Superintendent approval was obtained.

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).

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.gov/treasury/pensions/financial-reports.shtml](http://www.state.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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 is being paid by the employer in level annual payments over a period of 15 years, which began 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 \$130,328 for 2019.

The employee contribution rate was 7.50% effective July 1, 2018. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Pension Liabilities and Pension Expense

At June 30, 2019, the District's liability was \$2,568,484 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.01304%, which was a decrease of 0.0012% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized actual pension expense in the amount of \$50,800. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferral Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 20,330	
	2015	5.72	91,756	
	2016	5.57	311,158	
	2017	5.48		\$ (473,480)
	2018	5.63	<u>423,244</u>	<u>(347,784)</u>
			<u>423,244</u>	<u>(821,264)</u>
Changes in Proportion	2014	6.44	22,910	
	2015	5.72		(111,193)
	2016	5.57		
	2017	5.48		(54,528)
	2018	5.63		<u>(226,302)</u>
			<u>22,910</u>	<u>(392,023)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00		
	2015	5.00		15,520
	2016	5.00		86,767
	2017	5.00		(78,095)
	2018	5.00		<u>(48,285)</u>
				<u>(24,093)</u>
Difference Between Expected and Actual Experience	2015	5.72	25,457	
	2016	5.57	9,442	
	2017	5.48	14,082	
	2018	5.63		<u>(13,244)</u>
			<u>48,981</u>	<u>(13,244)</u>
District Contribution Subsequent to the Measurement Date	2018	1.00	<u>133,962</u>	
			<u>\$ 629,097</u>	<u>\$ (1,250,624)</u>



BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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
2019	\$ 17,827
2020	(24,681)
2021	(176,984)
2022	(153,413)
2023	(49,125)
	\$ (386,376)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. 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, 2017 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, 2019

(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, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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, 2019  
(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 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, 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, 2018 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, 2018		
	At 1% Decrease (4.66%)	At Current Discount Rate (5.66%)	At 1% Increase (6.66%)
District's proportionate share of the Net Pension Liability	\$ 3,229,572	\$ 2,568,484	\$ 2,013,872

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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.state.nj.gov/treasury/pensions/financial-reports.shtml](http://www.state.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:

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 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.

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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.

Special Funding Situation

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 2019, the State of New Jersey contributed \$1,308,959 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$2,455,490.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2019, the State's proportionate share of the net pension liability associated with the District was \$42,120,705. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.066%, which was a decrease of 0.003% from its proportion measured as of June 30, 2017.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		42,120,705
Total	\$	42,120,705

For the fiscal year ended June 30, 2019, the State recognized pension expense on behalf of the District in the amount of \$2,455,490 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2019 financial statements.

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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)

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	\$ 1,076,424,469	
	2015	8.3	3,063,649,492	
	2016	8.3	6,913,685,892	
	2017	8.3		\$ 10,084,192,916
	2018	8.29		5,994,557,085
			<u>11,053,759,853</u>	<u>16,078,750,001</u>
Difference Between Expected and Actual Experience	2014	8.5		10,252,211
	2015	8.3	189,214,650	
	2016	8.3		85,977,601
	2017	8.3	179,419,108	
	2018	8.29	1,051,605,259	
			<u>1,420,239,017</u>	<u>96,229,812</u>
Net Difference Between Projected and Actual				
Investment Earnings on Pension Plan Investments	2015	5		(192,642,062)
	2016	5		(863,710,381)
	2017	5		678,024,787
	2018	5		384,121,486
			<u>\$ 12,473,998,870</u>	<u>\$ 16,180,773,643</u>

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
2019	\$ 401,574,312
2020	208,932,249
2021	(222,922,941)
2022	(149,225,008)
2023	(735,040,983)
Thereafter	<u>(3,210,092,402)</u>
	<u>\$ (3,706,774,773)</u>

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55 – 4.55%
Thereafter	2.00 – 5.45%
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

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, 2018) 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, 2018 are summarized in the following table:

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 50% 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 2040. Therefore, the long-term expected rate of return on pension 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 State's proportionate share of the net pension liability associated with the District as of June 30, 2018 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:



BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

	June 30, 2018		
	At 1% Decrease (3.86%)	At Current Discount Rate (4.86%)	At 1% Increase (5.86%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 49,785,874	\$ 42,120,705	\$ 35,766,467

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.

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 \$14,139 for the fiscal year ended June 30, 2019. Employee contributions to DCRP amounted to \$27,374.31 for the year ended June 30, 2019.

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.

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

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.

The June 30, 2019 audit was not available as of the date of this report; however, selected, summarized financial information for the Fund as of June 30, 2018 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 45,062,979
Net Position	\$ 12,432,937
Total Revenue	\$ 42,523,904
Total Expenses	\$ 40,218,340
Change in Net Position	\$ 2,305,564
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

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

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>
2018-2019	\$ 680	\$ 35,228	\$ 27,046	\$ 92,864
2017-2018	6	35,051	17,564	84,002
2016-2017	6	35,199	40,742	66,509

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.

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 13. CONTINGENT LIABILITIES (Cont'd)

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, 2019, there were encumbrances as detailed below in the governmental funds:

General Fund	Total Governmental Funds
\$ 87,086	\$ 87,086

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	\$ 35,276	
Fiduciary Funds		\$ 35,276
	\$ 35,276	\$ 35,276

The interfund receivable in the General Fund from the Net Payroll and Payroll Agency account is for interest earned in the Payroll Agency account and excess funds transferred not returned by the end of the year.

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 16. ACCOUNTS PAYABLE

Accounts payable recorded in the District’s Governmental and Business-Type Activities as of June 30, 2019 consisted of the following:

	<u>Governmental Funds</u>			<u>District Contribution Subsequent to the Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Business-Type Activities Enterprise Funds</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>			
Vendors	\$ 71,505	\$ 3,350	\$ 57,500		\$ 132,355	\$ 13,588
State of New Jersey				\$ 133,962	133,962	
	<u>\$ 71,505</u>	<u>\$ 3,350</u>	<u>\$ 57,500</u>	<u>\$ 133,962</u>	<u>\$ 266,317</u>	<u>\$ 13,588</u>

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, 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 GASB Codification Section P50. 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.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

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

Employees Covered by Benefit Terms

At June 30, 2017, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	145,050
Active Plan Members	<u>217,131</u>
Total	<u><u>362,181</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. 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.

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%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

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

Mortality Rates

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 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-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven 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.

Discount Rate

The discount rates for June 30, 2018 and 2017 were 3.87% and 3.58%, respectively, a change of +.29%. 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 Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2017	\$ 35,064,418
Changes for Year:	
Service Cost	1,228,873
Interest on the Total OPEB Liability	1,285,481
Changes of Assumptions	(3,462,140)
Difference in Expected and Actual Experience	(3,167,943)
Gross Benefit Payments by the State	(806,731)
Contributions from Members	27,882
Net Changes in Total OPEB Liability	(4,894,578)
Balance at June 30, 2018	\$ 30,169,840

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

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

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, 2018, 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, 2018		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
Total OPEB Liability Attributable to the District	\$ 35,666,892	\$ 30,169,840	\$ 25,800,251

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, 2018, 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, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 24,937,130	\$ 30,169,840	\$ 37,090,299

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

For the fiscal year ended June 30, 2019 the District recognized OPEB expense of \$1,319,181 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 Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, 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.



BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

At June 30, 2018 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ (3,664,636)
Changes in Assumptions	2018	9.51		(3,098,088)
				(6,762,724)
Differences Between Expected and Actual Experience	2018	9.51		(2,928,657)
Changes in Proportion	N/A	N/A	\$ 31,596	(62,495)
			\$ 31,596	\$ (9,753,876)

N/A - Not Available

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	\$ (1,194,222)
2019	(1,194,222)
2020	(1,194,222)
2021	(1,194,222)
2022	(1,194,222)
Thereafter	(3,720,273)
	\$ (9,691,381)

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 FIVE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's proportion of the net pension liability	0.0159627975%	0.0147297098%	0.0146588355%	0.0142650013%	0.0130449393%
District's proportionate share of the net pension liability	\$ 2,988,672	\$ 3,306,525	\$ 4,341,527	\$ 3,320,664	\$ 2,568,484
District's covered employee payroll	\$ 1,011,793	\$ 1,016,488	\$ 960,770	\$ 967,398	\$ 976,702
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	295.38%	325.29%	451.88%	343.26%	262.98%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%

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 FIVE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 131,595	\$ 126,636	\$ 140,156	\$ 148,524	\$ 130,328
Contributions in relation to the contractually required contribution	<u>(131,595)</u>	<u>(126,636)</u>	<u>(140,156)</u>	<u>(148,524)</u>	<u>(130,328)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 1,047,167	\$ 1,011,793	\$ 1,016,488	\$ 960,770	\$ 967,398
Contributions as a percentage of covered employee payroll	12.57%	12.52%	13.79%	15.46%	13.47%

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 FIVE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
State's proportion of the net pension liability attributable to the District	0.0624075042%	0.0646772711%	0.0643216343%	0.0635593330%
State's proportionate share of the net pension liability attributable to the District	\$ 33,554,780	\$ 40,878,797	\$ 50,599,493	\$ 42,854,009
District's covered employee payroll	\$ 6,371,844	\$ 6,295,209	\$ 6,674,117	\$ 6,749,482
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%	634.92%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.23%	25.41%
				26.49%

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 FIVE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
Contractually required contribution	\$ 1,794,800	\$ 2,496,019	\$ 3,801,848	\$ 2,968,708
Contributions in relation to the contractually required contribution	(326,200)	(490,548)	(689,920)	(975,024)
Contribution deficiency/(excess)	<u>\$ 1,468,600</u>	<u>\$ 2,005,471</u>	<u>\$ 3,111,928</u>	<u>\$ 1,993,684</u>
District's covered employee payroll	\$ 6,371,844	\$ 6,295,209	\$ 6,674,117	\$ 6,749,482
Contributions as a percentage of covered employee payroll	28.17%	7.79%	10.34%	14.45%
				18.00%

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 PROPORTIONATE SHARE OF  
THE TOTAL OPEB LIABILITY ASSOCIATED WITH THE DISTRICT AND REATELD RATIOS  
LAST FISCAL YEAR  
UNAUDITED

	<u>Fiscal Year Ending</u>	
	<u>2017</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 1,479,869	\$ 1,228,873
Interest Cost	1,111,094	1,285,481
Changes in Assumptions	(4,638,559)	(3,462,140)
Difference in Expected and Actual Experience		(3,167,943)
Member Contributions	29,906	27,882
Gross Benefit Payments	(812,166)	(806,731)
Net Change in Total OPEB Liability	(2,829,856)	(4,894,578)
Total OPEB Liability - Beginning	37,894,274	35,064,418
Total OPEB Liability - Ending	<u>\$ 35,064,418</u>	<u>\$ 30,169,840</u>
District's Covered Employee Payroll *	\$ 7,311,697	\$ 7,634,887
Total OPEB Liability as a Percentage of Covered Employee Payroll	480%	395%

\* - Covered payroll for the fiscal years ending June 30, 2017 and June 30, 2018 are based on the payroll on the June 30, 2016 and June 30, 2017 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, 2019  
UNAUDITED

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018. The municipal bond rate changed from 3.58% to 3.87%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: 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 mortality rates utilized in the July 1, 2017 valuation were as follows: 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018. The municipal bond rate changed from 3.58 to 3.87%.



BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED

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

The salary increases in the July 1, 2016 valuation were as follows: 2012-2021 and thereafter – varies based on experience. The salary increases in the July 1, 2017 valuation are as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: 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-year average of Social Security data from 1953 to 2013.

The mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEN PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

The mortality rates in the valuation as of June 30, 2017 were based on the following:

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 mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 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-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

BYRAM TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEN PLAN(Cont'd)

The health care trend rates in the valuation as of June 30, 2017 were based on the following:

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 eight years. For prescription drug benefits, the initial trend rate is 8.0% decreasing 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.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven 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.

BUDGETARY COMPARISON SCHEDULES

BYRAM TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUE:</b>					
Local Sources:					
Local Tax Levy	\$ 11,288,589		\$ 11,288,589	\$ 11,288,589	
Tuition From Individuals	45,000		45,000	42,000	\$ (3,000)
Interest Earned on Investments	2,000		2,000	45,592	43,592
Rents and Royalties				14,938	14,938
Unrestricted Miscellaneous Revenues	12,000		12,000	125,945	113,945
<b>Total - Local Sources</b>	<b>11,347,589</b>		<b>11,347,589</b>	<b>11,517,064</b>	<b>169,475</b>
State Sources:					
School Choice Aid	441,082		441,082	441,082	
Categorical Transportation Aid	325,211	\$ (93,074)	232,137	232,137	
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	
Extraordinary Aid				104,073	104,073
Nonpublic Transportation Aid				2,517	2,517
TPAF Pension Contribution (On-Behalf - Non-Budgeted)				1,308,959	1,308,959
TPAF Pension NCGI Premium (On-Behalf - Non-Budgeted)				27,400	27,400
TPAF Pension LTDI Premium (On-Behalf - Non-Budgeted)				1,644	1,644
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				606,170	606,170
TPAF Social Security (Reimbursed - Non-Budgeted)				519,436	519,436
<b>Total State Sources</b>	<b>3,892,017</b>	<b>(93,074)</b>	<b>3,798,943</b>	<b>6,369,142</b>	<b>2,570,199</b>
<b>TOTAL REVENUE</b>	<b>15,239,606</b>	<b>(93,074)</b>	<b>15,146,532</b>	<b>17,886,206</b>	<b>2,739,674</b>

BYRAM TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 281,420	\$ (20,500)	\$ 260,920	\$ 255,125	\$ 5,795
Grades 1-5 - Salaries of Teachers	1,950,200	53,700	2,003,900	1,994,087	9,813
Grades 6-8 - Salaries of Teachers	1,740,455	(77,854)	1,662,601	1,649,865	12,736
Regular Programs - Home Instruction:					
Salaries of Teachers	2,400		2,400		2,400
Purchased Professional-Educational Services	2,500		2,500		2,500
Other Purchased Services	200		200		200
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	25,505	(4,500)	21,005	16,700	4,305
Purchased Professional-Educational Services	500		500	400	100
Other Purchased Services (400-500 series)	20,000	13,350	33,350	33,350	
General Supplies	307,908	(103,203)	204,705	174,710	29,995
Textbooks	14,881	20,000	34,881	29,277	5,604
Other Objects	550		550		550
<b>Total Regular Programs - Instruction</b>	<b>4,346,519</b>	<b>(119,007)</b>	<b>4,227,512</b>	<b>4,153,514</b>	<b>73,998</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	124,790	7,883	132,673	132,425	248
Other Salaries for Instruction	13,985	(2,463)	11,522	10,425	1,097
General Supplies	1,050	574	1,624	1,105	519
<b>Total Learning and/or Language Disabilities</b>	<b>139,825</b>	<b>5,994</b>	<b>145,819</b>	<b>143,955</b>	<b>1,864</b>
Resource Room/Resource Center:					
Salaries of Teachers	1,342,480	(133,874)	1,208,606	1,171,080	37,526
Other Salaries for Instruction	108,020	(2,500)	105,520	101,608	3,912
General Supplies	4,000		4,000	2,976	1,024
<b>Total Resource Room/Resource Center</b>	<b>1,454,500</b>	<b>(136,374)</b>	<b>1,318,126</b>	<b>1,275,664</b>	<b>42,462</b>

BYRAM TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Preschool Disabilities - Part Time:					
Salaries of Teachers	\$ 125,930	\$ 5,000	\$ 130,930	\$ 125,080	\$ 5,850
Other Salaries for Instruction	38,845	7,000	45,845	45,135	710
General Supplies	4,380		4,380	2,688	1,692
<b>Total Preschool Disabilities - Part Time</b>	<b>169,155</b>	<b>12,000</b>	<b>181,155</b>	<b>172,903</b>	<b>8,252</b>
Home Instruction - Special Education					
Salaries of Teachers	2,000		2,000	770	1,230
Purchased Professional-Education Services	2,000		2,000	165	1,835
Other Purchased Services	100		100		100
<b>Total Home Instruction - Special Education</b>	<b>4,100</b>		<b>4,100</b>	<b>935</b>	<b>3,165</b>
<b>Total Special Education - Instruction</b>	<b>1,767,580</b>	<b>(118,380)</b>	<b>1,649,200</b>	<b>1,593,457</b>	<b>55,743</b>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	322,205	32,500	354,705	351,960	2,745
General Supplies	40,168		40,168	23,765	16,403
<b>Total Basic Skills/Remedial - Instruction</b>	<b>362,373</b>	<b>32,500</b>	<b>394,873</b>	<b>375,725</b>	<b>19,148</b>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries of Teachers	38,852	9,674	48,526	46,994	1,532
Purchased Services (300-500 series)		400	400	348	52
Supplies & Materials	1,000	(1,000)			
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>39,852</b>	<b>9,074</b>	<b>48,926</b>	<b>47,342</b>	<b>1,584</b>

BYRAM TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
School-Sponsored Cocurricular Activities - Athletics - Instruction:					
Salaries	\$ 26,872	\$ (2,000)	\$ 24,872	\$ 16,965	\$ 7,907
Purchased Services (300-500 series)	3,000	5,000	8,000	2,900	5,100
Supplies and Materials	6,584		6,584	3,663	2,921
Total School-Sponsored Cocurricular Activities - Athletics - Instruction	36,456	3,000	39,456	23,528	15,928
Total Instruction	6,552,780	(192,813)	6,359,967	6,193,566	166,401
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	199,550	(20,690)	178,860	157,411	21,449
Tuition to Private School for the Disabled - Within the State	30,000	157,350	187,350	149,038	38,312
Tuition to Private School for the Disabled - Within the State	188,800	(188,800)			
Total Undistributed Expenditures - Instruction	418,350	(52,140)	366,210	306,449	59,761
Attendance & Social Work:					
Salaries	15,450		15,450	15,338	112
Purchased Professional-Technical Services	17,700	8,000	25,700	24,477	1,223
Other Purchased Services (400-500 series)	8,000	(8,000)			
Total Attendance & Social Work	41,150		41,150	39,815	1,335
Health Services:					
Salaries	138,720	3,800	142,520	139,355	3,165
Purchased Professional and Technical Services	17,500		17,500	6,664	10,836
Supplies and Materials	7,000		7,000	5,321	1,679
Total Health Services	163,220	3,800	167,020	151,340	15,680

BYRAM TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Other Support Services - Speech, OT, PT and Related Services:					
Salaries	\$ 377,960		\$ 377,960	\$ 368,882	\$ 9,078
Purchased Professional - Educational Services	198,690	\$ 8,396	207,086	128,725	78,361
Supplies and Materials	6,047		6,047	4,159	1,888
<b>Total Other Support Services - Speech, OT, PT and Related Services</b>	<b>582,697</b>	<b>8,396</b>	<b>591,093</b>	<b>501,766</b>	<b>89,327</b>
Other Support Services - Extra Services:					
Salaries	117,980	60,789	178,769	175,653	3,116
Purchased Professional - Educational Services		3,900	3,900	2,225	1,675
<b>Total Other Support Services - Extra Services</b>	<b>117,980</b>	<b>64,689</b>	<b>182,669</b>	<b>177,878</b>	<b>4,791</b>
Other Support Services - Guidance:					
Salaries of Other Professional Staff	187,010		187,010	186,090	920
Purchased Professional - Educational Services	4,000		4,000	3,695	305
Supplies and Materials	8,000		8,000	918	7,082
<b>Total Other Support Services - Guidance</b>	<b>199,010</b>		<b>199,010</b>	<b>190,703</b>	<b>8,307</b>
Other Support Services - Child Study Teams:					
Salaries of Other Professional Staff	349,014	1,037	350,051	349,679	372
Salaries of Secretarial and Clerical Assistants	48,935		48,935	48,779	156
Purchased Professional - Educational Services	11,500		11,500	11,175	325
Other Purchased Services (400-500 series)	500	156	656	656	
Miscellaneous Purchased Services (400-500 series)	1,000		1,000	507	493
Supplies and Materials	7,150	(1,193)	5,957	2,707	3,250
Other Objects	500		500	300	200
<b>Total Other Support Services - Child Study Teams</b>	<b>418,599</b>		<b>418,599</b>	<b>413,803</b>	<b>4,796</b>



BYRAM TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 140,175	\$ 94,188	\$ 94,188	\$ 93,905	\$ 283
Salary Facilitator Math & Literacy Coach	86,188	(140,175)	154,455	133,340	21,115
Salaries of Other Professional Staff	41,130	(41,130)	41,250	41,250	2,601
Purchased Professional - Educational Services	5,100	(120)	4,980	2,379	23,999
Other Purchased Professional and Technical Services	272,593	22,280	294,873	270,874	
Supplies and Materials					
Total Improvement of Instructional Services	116,050	665	116,715	116,715	
Educational Media Services:	26,555	(8,265)	18,290	16,167	2,123
Salaries of Technology Coordinators					
Supplies and Materials	142,605	(7,600)	135,005	132,882	2,123
Total Educational Media Services					
Instructional Staff Training Services:					
Purchased Professional - Educational Services	61,000	(16,365)	44,635	44,635	
Other Purchased Professional and Technical Services	6,000	21,000	27,000	22,000	5,000
Other Purchased Services (400-500 series)	12,000	(535)	11,465	7,383	4,082
Supplies and Materials	2,000	(1,400)	600	519	81
Total Instructional Staff Training Services	81,000	2,700	83,700	74,537	9,163
General Administration:					
Salaries	218,575	550	219,125	219,125	
Legal Services	40,000		40,000	9,806	30,194
Audit Fees	20,000	2,400	22,400	22,400	
Other Purchased Professional Services	22,500	2,565	25,065	25,065	
Communications/Telephone	21,500	(65)	21,435	15,449	5,986

BYRAM TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
General Administration:					
BOE Other Purchased Services	\$ 5,500	\$ (550)	\$ 4,950	\$ 2,743	\$ 2,207
Other Purchased Services (400-500 series)	46,500	(4,900)	41,600	31,214	10,386
General Supplies	5,000		5,000	2,098	2,902
BOE In-House Training and Meeting Supplies	1,200		1,200	731	469
Miscellaneous Expenditures	8,850		8,850	8,079	771
BOE Membership Dues and Fees	8,000		8,000	7,289	711
Total General Administration	397,625		397,625	343,999	53,626
<b>School Administration:</b>					
Salaries of Principals/Assistant Principals	230,226		230,226	230,226	
Salaries of Secretarial and Clerical Assistants	135,310		135,310	132,309	3,001
Other Salaries	83,732	2,460	86,192	86,186	6
Other Purchased Services (400-500 series)	4,000	1,280	5,280	4,583	697
Supplies and Materials	8,500	(2,674)	5,826	3,499	2,327
Other Objects	6,725	683	7,408	6,224	1,184
Total School Administration	468,493	1,749	470,242	463,027	7,215
<b>Central Services:</b>					
Salaries	220,585	465	221,050	221,050	
Purchased Professional Services	29,450	2,225	31,675	30,577	1,098
Purchased Technical Services	5,800	1,250	7,050	7,050	
Miscellaneous Purchased Services (400-500 series)	5,300	(1,810)	3,490	2,762	728
Supplies and Materials	4,750	(1,665)	3,085	2,001	1,084
Other Objects	1,900	(465)	1,435	1,275	160
Total Central Services	267,785		267,785	264,715	3,070

BYRAM TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Administrative Information Technology:					
Purchased Technical Services	\$ 64,000	\$ (10,328)	\$ 53,672	\$ 34,704	\$ 18,968
Other Purchased Services (400-500 series)	29,640		29,640	14,755	14,885
Supplies and Materials	31,000	25,328	56,328	38,633	17,695
Total Administrative Information Technology	124,640	15,000	139,640	88,092	51,548
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	120,084	67,657	187,741	186,750	991
General Supplies	25,000	(657)	24,343	22,421	1,922
Total Required Maintenance for School Facilities	145,084	67,000	212,084	209,171	2,913
Custodial Services:					
Salaries	544,725	10,811	555,536	521,527	34,009
Purchased Professional and Technical Services	15,815	(2,761)	13,054	10,654	2,400
Cleaning, Repair, and Maintenance Services	40,980		40,980	39,130	1,850
Unused Vacation Payment to Terminated/Retired Staff	2,000	(2,000)			
Other Purchased Property Services	55,000		55,000	43,840	11,160
Insurance	70,000	7,220	77,220	73,719	3,501
Miscellaneous Purchased Services	12,900		12,900	11,141	1,759
General Supplies	93,023	(22,481)	70,542	63,139	7,403
Energy (Electricity)	185,000	20,000	205,000	199,849	5,151
Energy (Oil)	160,000	(9,400)	150,600	142,134	8,466
Other Objects	250		250	150	100
Total Custodial Services	1,179,693	1,389	1,181,082	1,105,283	75,799

BYRAM TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Student Transportation Services:					
Salaries for Pupil Transportation (Other than Between Home and School)	\$ 2,500	\$ (2,500)	\$ 43,518	\$ 43,518	
Salaries for Pupil Transportation (Between Home and School) - Sp. Ed.	49,590	(6,072)	8,949	8,949	
Cleaning, Repair and Maintenance Services	30,000	(21,051)	12,000	12,000	
Contracted Services (Aid in Lieu of Payments) - Nonpublic Students	20,700	(8,700)	314,434	314,434	
Contracted Services (Between Home and School)- Vendors	313,485	949	2,091	513	\$ 1,578
Contracted Services (Other Than Between Home and School)- Vendors	10,000	(7,909)	22,885	22,135	750
Contracted Services (Regular Students) - ESC's & CTSA's	22,885	45,583	143,028	143,028	
Contracted Services (Special Education Students) - ESC's & CTSA's	97,445	500	12,600	12,357	243
Miscellaneous Purchased Services - Transportation	12,100	500	9,200	1,141	8,059
Transportation Supplies	10,000	(800)	250	250	
Other Objects	250		568,955	558,325	10,630
<b>Total Student Transportation Services</b>	<b>568,955</b>		<b>568,955</b>	<b>558,325</b>	<b>10,630</b>
<b>Unallocated Benefits:</b>					
Social Security Contributions	170,000	(3,159)	166,841	155,425	11,416
T.P.A.F. Contributions - ERIP	28,545	(706)	27,839	27,839	
Other Retirement Contributions - PERS	150,000	(19,672)	130,328	130,328	
Other Retirement Contributions - DCRP		14,139	14,139	14,139	
Unemployment Compensation	20,000		20,000	20,000	
Workers Compensation	132,000	(677)	131,323	131,323	
Health Benefits	2,080,200	(57,513)	2,022,687	1,959,024	63,663
Tuition Reimbursement	30,000	(18,370)	11,630	3,050	8,580
Other Employee Benefits	305,850	(30,522)	275,328	275,161	167
Unused Sick Payment to Terminated/Retired Staff		14,205	14,205	14,143	62
<b>Total Unallocated Benefits</b>	<b>2,916,595</b>	<b>(102,275)</b>	<b>2,814,320</b>	<b>2,730,432</b>	<b>83,888</b>

BYRAM TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
On-Behalf Contributions:					
TPAF Pension Contribution (On-Behalf - Non-Budgeted)				\$ 1,308,959	\$ (1,308,959)
TPAF Pension NCGI Premium (On-Behalf - Non-Budgeted)				27,400	(27,400)
TPAF Pension LTDI Premium (On-Behalf - Non-Budgeted)				1,644	(1,644)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				606,170	(606,170)
TPAF Social Security (Reimbursed - Non-Budgeted)				519,436	(519,436)
Total On-Behalf Contributions				2,463,609	(2,463,609)
Total Personal Services - Employee Benefits	\$ 2,916,595	\$ (102,275)	\$ 2,814,320	5,194,041	(2,379,721)
Total Undistributed Expenditures	8,506,074	24,988	8,531,062	10,486,700	(1,955,638)
<b>TOTAL CURRENT EXPENSE</b>	<b>15,058,854</b>	<b>(167,825)</b>	<b>14,891,029</b>	<b>16,680,266</b>	<b>(1,789,237)</b>
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Instruction	21,000		21,000	7,891	13,109
Required Maintenance For School Facilities	97,148	82,177	179,325	112,098	67,227
Security	71,877	(71,877)			
School Buses - Special	61,920		61,920	61,920	
Total Equipment	251,945	10,300	262,245	181,909	80,336
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services	16,000		16,000	16,000	
Construction Services	707,618	7,500	715,118	656,668	58,450
Assessment for Debt Service on SDA Funding	61,496		61,496	61,496	
Total Facilities Acquisition and Construction Services	785,114	7,500	792,614	734,164	58,450
<b>TOTAL CAPITAL OUTLAY</b>	<b>1,037,059</b>	<b>17,800</b>	<b>1,054,859</b>	<b>916,073</b>	<b>138,786</b>

BYRAM TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Transfer of Funds to Charter Schools	\$ 139,724	\$ 64,451	\$ 204,175	\$ 204,175	
TOTAL EXPENDITURES	16,235,637	(85,574)	16,150,063	17,800,514	\$ (1,650,451)
Excess (Deficiency) of Revenue Over (Under) Expenditures	(996,031)	(7,500)	(1,003,531)	85,692	1,089,223
Fund Balance, July 1	4,277,873		4,277,873	4,277,873	
Fund Balance, June 30	\$ 3,281,842	\$ (7,500)	\$ 3,274,342	\$ 4,363,565	\$ 1,089,223
Recapitulation:					
Restricted Fund Balances:				\$ 2,953,151	
Capital Reserve				850,000	
Maintenance Reserve				87,086	
Assigned Fund Balance:				60,000	
Year End Encumbrances				413,328	
For Subsequent Year's Expenditures				4,363,565	
Unassigned Fund Balance				(372,795)	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				\$ 3,990,770	
Fund Balance per Governmental Funds (GAAP)					

BYRAM TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		\$ 6,340	\$ 6,340	\$ 6,340	
Federal Sources	\$ 212,000	59,759	271,759	241,314	\$ (30,445)
<b>Total Revenues</b>	<b>212,000</b>	<b>66,099</b>	<b>278,099</b>	<b>247,654</b>	<b>(30,445)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	40,000	2,499	42,499	34,609	7,890
Tuition	161,000	(20,926)	140,074	140,074	
General Supplies		17,047	17,047	10,579	6,468
Total Instruction	201,000	(1,380)	199,620	185,262	14,358
Support Services:					
Purchased Professional and Educational Services		55,551	55,551	48,011	7,540
Other Purchased Services - Travel	11,000	1,328	12,328	11,656	672
Supplies and Materials		10,600	10,600	2,725	7,875
Total Support Services	11,000	67,479	78,479	62,392	16,087
<b>Total Expenditures</b>	<b>\$ 212,000</b>	<b>\$ 66,099</b>	<b>\$ 278,099</b>	<b>\$ 247,654</b>	<b>\$ 30,445</b>

BYRAM TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 17,886,206	\$ 247,654
Differences - Budget to GAAP:		
Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		
Prior Year Encumbrances		3,200
Prior Year State Aid Payments Recognized for GAAP Statements	374,163	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(372,795)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 17,887,574</u>	<u>\$ 250,854</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 17,800,514	\$ 247,654
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.		
Prior Year Encumbrances		<u>3,200</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 17,800,514</u>	<u>\$ 250,854</u>

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. The budget for the fiscal year ended June 30, 2019 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, 2019

	Elementary and Secondary Education Act					IDEA Part B		Totals
	Title I	Title II Part A	Title IV	Basic	Preschool	Local	Totals	
<b>REVENUE:</b>								
Local Sources						\$ 6,340	\$ 6,340	
Federal Sources	\$ 32,110	\$ 11,656	\$ 9,463	\$ 177,647	\$ 10,438		241,314	
Total Revenue	32,110	11,656	9,463	177,647	10,438	6,340	247,654	
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	32,110					2,499	34,609	
Tuition				129,636	10,438		140,074	
General Supplies			6,738			3,841	10,579	
Total Instruction	32,110		6,738	129,636	10,438	6,340	185,262	
Support Services:								
Purchased Professional and Educational Services				48,011			48,011	
Other Purchased Services - Travel		11,656					11,656	
Supplies and Materials			2,725				2,725	
Total Support Services		11,656	2,725	48,011			62,392	
Total Expenditures	\$ 32,110	\$ 11,656	\$ 9,463	\$ 177,647	\$ 10,438	\$ 6,340	\$ 247,654	

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, 2019

Fund Balance - Beginning Balance	<u>\$ 46,459</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, 2019

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources -SDA Grant	\$ 356,294		\$ 356,294	\$ 356,294
Transfer from Capital Reserve	567,376		567,376	567,376
Total Revenues & Other Financing Sources	<u>923,670</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>\$ 46,459</u>	<u>\$ - 0 -</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	<u>\$ (26,492)</u>
Revised Authorized Cost	<u>\$ 923,670</u>
Percentage Completed	95%
Original Target Completion Date	6/30/2015
Revised Target Completion Date	6/30/2020

PROPRIETARY FUNDS

BYRAM TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2019

## ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$ 26,317
Intergovernmental Accounts Receivable:	
Federal	2,721
State	152
Inventories	7,469
	<hr/>
Total Current Assets	36,659
	<hr/>

## Non-Current Assets:

Capital Assets	271,005
Less: Accumulated Depreciation	(258,898)
	<hr/>
Total Non-Current Assets	12,107
	<hr/>

## Total Assets

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48,766

## LIABILITIES:

## Current Liabilities:

Accounts Payable - Vendors	13,588
Unearned Revenue - Prepaid Sales	4,947
Unearned Revenue - Donated Commodities	3,263
	<hr/>

## Total Current Liabilities

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21,798

## NET POSITION:

Investment in Capital Assets	12,107
Unrestricted	14,861
	<hr/>

## Total Net Position

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\$ 26,968



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, 2019

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 108,210
Daily Sales - Non-Reimbursable Programs	56,373
Special Functions	4,444
	<hr/>
Total Operating Revenue	169,027
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	67,654
Cost of Sales - Non-Reimbursable Programs	26,815
Salaries, Benefits and Payroll Taxes	106,159
Supplies and Other Costs	20,451
Management Fee	10,550
Depreciation Expense	2,809
	<hr/>
Total Operating Expenses	234,438
	<hr/>
Operating Loss	(65,411)
	<hr/>
Non-Operating Income:	
Local Sources:	
Interest Income	355
State Sources:	
State School Lunch Program	2,155
Federal Sources:	
School Breakfast Program	1,927
National School Lunch Program	36,990
Food Distribution Program	15,452
	<hr/>
Total Non-Operating Income	56,879
	<hr/>
Change in Net Position Before Other Item	(8,532)
	<hr/>
Other Item:	
Adjustment to Capital Assets	(1,239)
	<hr/>
Total Other Item	(1,239)
	<hr/>
Change in Net Position After Other Item	(9,771)
	<hr/>
Net Position - Beginning of Year	36,739
	<hr/>
Net Position - End of Year	\$ 26,968
	<hr/> <hr/>

BYRAM TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 169,543
Payments to Employees	(106,159)
Payments to Food Service Vendor	(95,379)
Payments to Suppliers	(20,451)
Net Cash Used for Operating Activities	<u>(52,446)</u>
Cash Flows from Noncapital Financing Activities:	
Local Sources:	
Interest Income	355
State Sources:	
State School Lunch Program	2,277
Federal Sources:	
School Breakfast Program	1,784
National School Lunch Program	38,821
Net Cash Provided by Noncapital Financing Activities	<u>43,237</u>
Net Decrease in Cash and Cash Equivalents	(9,209)
Cash and Cash Equivalents, July 1	<u>35,526</u>
Cash and Cash Equivalents, June 30	<u>\$ 26,317</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:	
Operating Loss	\$ (65,411)
Adjustment to Reconcile Operating Loss to Cash Provided by (Used for) Operating Activities:	
Depreciation	2,809
Food Distribution Program	15,452
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventories	(1,085)
Increase/(Decrease) in Unearned Revenue - Donated Commodities	163
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	516
Increase/(Decrease) in Accounts Payable	(4,890)
Net Cash Used for Operating Activities	<u>\$ (52,446)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received commodities valued at \$15,615 and utilized commodities valued at \$15,452 from the Federal Food Distribution Program for the fiscal year ended June 30, 2019.

FIDUCIARY FUNDS

BYRAM TOWNSHIP SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 COMBINING STATEMENT OF NET POSITION  
 JUNE 30, 2019

	Student Activities Agency Fund	Payroll Agency Fund	Total Agency	Unemployment Compensation Trust Fund	Totals
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 44,437	\$ 197,576	\$ 242,013	\$ 92,864	\$ 334,877
Total Assets	44,437	197,576	242,013	92,864	334,877
<b>LIABILITIES:</b>					
Due to Student Groups	44,437		44,437		44,437
Accrued Salaries and Wages		162,300	162,300		162,300
Interfund Payable - General Fund		35,276	35,276		35,276
Total Liabilities	44,437	197,576	242,013		242,013
<b>NET POSITION:</b>					
Held in Trust for Unemployment				92,864	92,864
Total Net Position	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 92,864	\$ 92,864

BYRAM TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Unemployment Compensation Trust Fund</u>
Additions:	
Contributions:	
Plan Contributions	\$ 15,228
Board Contributions	<u>20,000</u>
Total Contributions	<u>35,228</u>
Investment Earnings:	
Interest	<u>680</u>
Net Investment Earnings	<u>680</u>
Total Additions	<u>35,908</u>
Deductions:	
Unemployment Claims	<u>27,046</u>
Total Deductions	<u>27,046</u>
Change in Net Position	8,862
Net Position - Beginning of the Year	<u>84,002</u>
Net Position - End of the Year	<u><u>\$ 92,864</u></u>

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

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 36,650	\$ 95,390	\$ 87,603	\$ 44,437
Total Assets	<u>\$ 36,650</u>	<u>\$ 95,390</u>	<u>\$ 87,603</u>	<u>\$ 44,437</u>
 <u>LIABILITIES:</u>				
Due to Student Groups	\$ 36,650	\$ 95,390	\$ 87,603	\$ 44,437
Total Liabilities	<u>\$ 36,650</u>	<u>\$ 95,390</u>	<u>\$ 87,603</u>	<u>\$ 44,437</u>

BYRAM TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY

	<u>Balance</u> <u>July 1, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2019</u>
Byram Lakes School	\$ 5,941	\$ 16,121	\$ 13,205	\$ 8,857
Intermediate School	<u>30,709</u>	<u>79,269</u>	<u>74,398</u>	<u>35,580</u>
Total All Schools	<u>\$ 36,650</u>	<u>\$ 95,390</u>	<u>\$ 87,603</u>	<u>\$ 44,437</u>

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

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 173,177	\$ 10,262,947	\$ 10,238,548	\$ 197,576
Total Assets	<u>\$ 173,177</u>	<u>\$ 10,262,947</u>	<u>\$ 10,238,548</u>	<u>\$ 197,576</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 32,071	\$ 4,200,460	\$ 4,232,531	
Net Payroll		5,864,911	5,864,911	
Accrued Salaries and Wages	140,145	162,300	140,145	\$ 162,300
Interfund Payable - General Fund	961	35,276	961	35,276
Total Liabilities	<u>\$ 173,177</u>	<u>\$ 10,262,947</u>	<u>\$ 10,238,548</u>	<u>\$ 197,576</u>



LONG-TERM DEBT

BYRAM TOWNSHIP SCHOOL DISTRICT  
GENERAL LONG-TERM DEBT ACCOUNT GROUP  
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance July 1, 2018	Retired or Matured	Balance June 30, 2019
			Date	Amount				
Refunding School Bonds	12/16/15	\$ 3,560,000	03/15/20	\$ 720,000	1.69%	\$ 2,165,000	\$ 705,000	\$ 1,460,000
			03/15/21	740,000	1.69%	\$ 2,165,000	\$ 705,000	\$ 1,460,000

BYRAM TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOT APPLICABLE

BYRAM TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 741,221		\$ 741,221	\$ 741,221	
Total Revenue	741,221		741,221	741,221	
EXPENDITURES:					
Regular Debt Service:					
Interest	36,589		36,589	36,523	\$ 66
Redemption of Principal	705,000		705,000	705,000	
Total Regular Debt Service	741,589		741,589	741,523	66
Total Expenditures	741,589		741,589	741,523	66
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(368)		(368)	(302)	66
Fund Balance, July 1	560		560	560	
Fund Balance, June 30	\$ 192	\$ -0-	\$ 192	\$ 258	\$ 66

Recapitulation:  
 Restricted Fund Balance \$ 258

**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,				
	2010	2011	2012	2013	2014
Governmental Activities:					
Net Investment in Capital Assets	\$ 8,775,097	\$ 8,828,878	\$ 8,886,904	\$ 9,015,795	\$ 9,504,913
Restricted	203,987	962,858	1,614,062	2,175,373	2,153,062
Unrestricted (Deficit)	(617,726)	(481,839)	(396,735)	(330,498)	(393,319)
Total Governmental Activities Net Position	<u>\$ 8,361,358</u>	<u>\$ 9,309,897</u>	<u>\$ 10,104,231</u>	<u>\$ 10,860,670</u>	<u>\$ 11,264,656</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 87,634	\$ 83,437	\$ 72,035	\$ 75,503	\$ 64,061
Unrestricted	44,929	50,598	54,885	17,922	22,935
Total Business-Type Activities Net Position	<u>\$ 132,563</u>	<u>\$ 134,035</u>	<u>\$ 126,920</u>	<u>\$ 93,425</u>	<u>\$ 86,996</u>
District-Wide:					
Net Investment in Capital Assets	\$ 8,862,731	\$ 8,912,315	\$ 8,958,939	\$ 9,091,298	\$ 9,568,974
Restricted	203,987	962,858	1,614,062	2,175,373	2,153,062
Unrestricted (Deficit)	(572,797)	(431,241)	(341,850)	(312,576)	(370,384)
Total District Net Position	<u>\$ 8,493,921</u>	<u>\$ 9,443,932</u>	<u>\$ 10,231,151</u>	<u>\$ 10,954,095</u>	<u>\$ 11,351,652</u>

BYRAM TOWNSHIP SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	June 30,				
	2015	2016	2017	2018	2019
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 11,087,275	\$ 11,239,559	\$ 11,682,608	\$ 11,741,967	\$ 12,658,998
Restricted	2,073,214	2,423,558	2,988,124	2,925,316	3,803,409
Unrestricted (Deficit)	(3,109,669)	(2,924,110)	(3,399,613)	(2,688,804)	(3,392,066)
<b>Total Governmental Activities Net Position</b>	<b>\$ 10,050,820</b>	<b>\$ 10,739,007</b>	<b>\$ 11,271,119</b>	<b>\$ 11,978,479</b>	<b>\$ 13,070,341</b>
<b>Business-Type Activities:</b>					
Investment in Capital Assets	\$ 46,811	\$ 36,093	\$ 19,477	\$ 16,155	\$ 12,107
Unrestricted	33,051	33,293	24,460	20,584	14,861
<b>Total Business-Type Activities Net Position</b>	<b>\$ 79,862</b>	<b>\$ 69,386</b>	<b>\$ 43,937</b>	<b>\$ 36,739</b>	<b>\$ 26,968</b>
<b>District-Wide:</b>					
Investment in Capital Assets	\$ 11,134,086	\$ 11,275,652	\$ 11,702,085	\$ 11,758,122	\$ 12,671,105
Restricted	2,073,214	2,423,558	2,988,124	2,925,316	3,803,409
Unrestricted (Deficit)	(3,076,618)	(2,890,817)	(3,375,153)	(2,668,220)	(3,377,205)
<b>Total District Net Position</b>	<b>\$ 10,130,682</b>	<b>\$ 10,808,393</b>	<b>\$ 11,315,056</b>	<b>\$ 12,015,218</b>	<b>\$ 13,097,309</b>

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,			
	2010	2011	2012	2013
	2010	2011	2012	2013
Expenses:				
Governmental Activities				
Instruction:				
Regular	\$ 5,735,545	\$ 5,289,620	\$ 5,484,839	\$ 5,727,131
Special Education	1,561,570	1,450,588	1,621,760	1,704,502
Other Special Instruction	403,714	478,941	317,182	318,212
School-Sponsored/Other Instruction	72,805	81,545	78,876	77,115
Support Services:				
Tuition	125,566	180,124	289,676	290,144
Student & Instruction Related Services	1,695,036	1,831,276	1,852,908	1,884,278
General Administrative Services	512,842	478,650	466,887	358,128
School Administrative Services	554,274	595,251	586,540	553,462
Central Services	424,458	360,912	436,474	388,272
Administrative Information Technology				
Plant Operations and Maintenance	1,295,228	1,245,775	1,285,268	1,274,688
Pupil Transportation	720,614	678,171	646,189	678,158
Unallocated Benefits	939,260	846,280	1,071,640	1,355,979
Interest on Long-term Debt	305,202	286,067	264,478	240,565
Unallocated Depreciation	575,930	554,978	586,992	575,332
Capital Outlay	33,414	45,150	113,028	39,882
Charter Schools	31,489	37,999	50,128	76,903
Total Governmental Activities Expenses	14,986,946	14,441,329	15,152,863	15,542,751
Business-Type Activities:				
Food Service	282,782	279,815	269,513	266,163
Total Business-type Activities Expense	282,782	279,815	269,513	266,163
Total District Expenses	\$ 15,269,729	\$ 14,721,144	\$ 15,422,376	\$ 15,808,914
				\$ 16,221,116



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

	Fiscal Year Ending June 30,				
	2010	2011	2012	2013	2014
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services:					
Tuition			\$ 13,105	\$ 13,763	\$ 13,744
Operating Grants and Contributions	\$ 385,457	\$ 362,347	272,835	279,553	258,293
Capital Grants and Contributions					
<b>Total Governmental Activities Program Revenues</b>	<b>385,457</b>	<b>362,347</b>	<b>285,940</b>	<b>293,316</b>	<b>272,037</b>
<b>Business-Type Activities:</b>					
Charges for Services:					
Food Service	216,325	195,836	172,735	158,256	168,230
Operating Grants and Contributions	64,996	85,409	89,643	74,408	71,478
<b>Total Business-type Activities Program Revenues</b>	<b>281,321</b>	<b>281,244</b>	<b>262,378</b>	<b>232,664</b>	<b>239,708</b>
<b>Total District Program Revenues</b>	<b>\$ 666,778</b>	<b>\$ 643,591</b>	<b>\$ 548,318</b>	<b>\$ 525,980</b>	<b>\$ 511,745</b>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	\$ (14,601,489)	\$ (14,078,982)	\$ (14,866,924)	\$ (15,249,435)	\$ 272,037
Business-type Activities	(1,461)	1,430	(7,135)	(33,499)	239,708
<b>Total District-wide Net Expense</b>	<b>\$ (14,602,950)</b>	<b>\$ (14,077,552)</b>	<b>\$ (14,874,058)</b>	<b>\$ (15,282,934)</b>	<b>\$ 511,745</b>

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

	Fiscal Year Ending June 30,				
	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 9,726,141	\$ 9,940,000	\$ 10,138,800	\$ 10,341,576	\$ 10,548,406
Taxes Levied for Debt Service	776,262	810,713	806,101	810,851	814,394
Unrestricted Grants and Contributions	4,743,786	4,169,555	4,576,483	4,791,287	4,695,256
Federal and State aid not restricted					
Tuition					
Investment Earnings	4,350	2,857	2,136	2,301	1,753
Capital Outlay Facilities Grant					
Extraordinary Items					
Miscellaneous Income	130,631	104,396	137,738	59,859	47,116
Cancellation on Prior Year Accounts Payable					
Transfers					
<b>Total Governmental Activities</b>	<b>15,381,170</b>	<b>15,027,521</b>	<b>15,661,258</b>	<b>16,005,874</b>	<b>16,106,925</b>
Business-Type Activities:					
Investment Earnings	87	42	20	4	3
Transfers/Other Item					
<b>Total Business-Type Activities</b>	<b>87</b>	<b>42</b>	<b>20</b>	<b>4</b>	<b>3</b>
<b>Total District-Wide</b>	<b>\$ 15,381,257</b>	<b>\$ 15,027,563</b>	<b>\$ 15,661,278</b>	<b>\$ 16,005,878</b>	<b>\$ 16,106,928</b>
Change in Net Position:					
Governmental Activities	\$ 779,681	\$ 948,539	\$ 794,334	\$ 756,439	\$ 16,378,961
Business-type Activities	(1,374)	1,472	(7,115)	(33,495)	239,711
<b>Total District</b>	<b>\$ 778,307</b>	<b>\$ 950,011</b>	<b>\$ 787,219</b>	<b>\$ 722,944</b>	<b>\$ 16,618,672</b>

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 6,239,377	\$ 5,785,991	\$ 8,174,622	\$ 8,522,315	\$ 7,801,232
Special Education	1,711,440	1,976,884	3,228,163	3,367,044	3,022,490
Other Special Instruction	192,633	280,706	293,379	408,542	431,825
School-Sponsored/Other Instruction	79,035	83,513	317,400	421,143	355,795
Support Services:					
Tuition	222,985	371,016	326,902	190,843	306,449
Student & Instruction Related Services	1,986,770	2,265,456	3,027,172	3,162,002	3,119,494
School Administrative Services	461,674	478,373	809,082	570,613	772,430
General Administrative Services	635,189	604,541	558,274	845,073	510,551
Central Services	497,126	449,425	447,985	441,440	420,389
Administrative Information Technology			73,573	77,262	27,327
Plant Operations and Maintenance	1,270,621	1,347,036	1,529,067	1,659,664	1,619,645
Pupil Transportation	539,641	607,539	618,872	576,791	587,609
Unallocated Benefits	2,797,428	3,565,949			
Interest on Long-term Debt	221,438	43,909	56,306	44,717	33,047
Unallocated Depreciation	723,359	800,474	808,665	421,431	371,052
Capital Outlay	37,734	19,526	69,850	112,973	63,819
Charter Schools	81,238	136,291	116,831	135,678	204,175
Total Governmental Activities Expenses	17,697,688	18,816,629	20,456,143	20,957,531	19,647,329
Business-Type Activities:					
Food Service	234,569	222,962	248,444	241,807	234,438
Total Business-type Activities Expense	234,569	222,962	248,444	241,807	234,438
Total District Expenses	\$ 17,932,257	\$ 19,039,590	\$ 20,704,587	\$ 21,199,338	\$ 19,881,767

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 12,125	\$ 13,000	\$ 83,512	\$ 34,500	\$ 42,000
Operating Grants and Contributions	248,799	264,247	6,123,576	6,820,704	5,464,744
Capital Grants and Contributions			(39,618)		
Total Governmental Activities Program Revenues	\$ 260,924	\$ 277,247	\$ 6,167,470	\$ 6,855,204	\$ 5,506,744
<b>Business-Type Activities:</b>					
Charges for Services:					
Food Service	\$ 174,600	\$ 164,273	\$ 165,243	\$ 166,233	\$ 169,027
Operating Grants and Contributions	52,832	48,209	55,307	58,586	56,524
Total Business-type Activities Program Revenues	\$ 227,432	\$ 212,482	\$ 220,550	\$ 224,819	\$ 225,551
<b>Total District Program Revenues</b>	\$ 488,356	\$ 489,729	\$ 6,388,020	\$ 7,080,023	\$ 5,732,295
<b>Net (Expense)/Revenue</b>					
Governmental Activities	\$ (17,436,764)	\$ (18,539,381)	\$ (14,288,673)	\$ (14,102,327)	\$ (14,140,585)
Business-type Activities	(7,137)	(10,480)	(27,894)	(16,988)	(8,887)
<b>Total District-wide Net Expense</b>	\$ (17,443,901)	\$ (18,549,861)	\$ (14,316,567)	\$ (14,119,315)	\$ (14,149,472)

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 10,689,890	\$ 10,903,688	\$ 11,067,244	\$ 11,067,244	\$ 11,288,589
Taxes Levied for Debt Service	772,150	776,050	705,767	743,334	741,221
Unrestricted Grants and Contributions	6,613,084	7,508,589	2,933,786		
Federal and State aid not restricted		46,080		2,943,550	3,016,162
Tuition		14,741			
Investment Earnings		1,401			
Capital Outlay Facilities Grant		350,884			
Extraordinary Items		(95,000)			
Miscellaneous Income	160,322	86,145	115,419	65,345	186,475
Cancellation on Prior Year Accounts Payable			(1,431)		
Transfers				(9,786)	
<b>Total Governmental Activities</b>	<b>18,602,473</b>	<b>19,227,568</b>	<b>14,820,785</b>	<b>14,809,687</b>	<b>15,232,447</b>
Business-Type Activities:					
Investment Earnings	3	5	4	4	355
Transfers/Other Item			2,441	9,786	(1,239)
<b>Total Business-Type Activities</b>	<b>3</b>	<b>5</b>	<b>2,445</b>	<b>9,790</b>	<b>(884)</b>
<b>Total District-Wide</b>	<b>\$ 18,602,476</b>	<b>\$ 19,227,573</b>	<b>\$ 14,823,230</b>	<b>\$ 14,819,477</b>	<b>\$ 15,231,563</b>
Change in Net Position:					
Governmental Activities	\$ 1,165,709	\$ 688,187	\$ 532,112	\$ 707,360	\$ 1,091,862
Business-type Activities	(7,134)	(10,475)	(25,449)	(7,198)	(9,771)
<b>Total District</b>	<b>\$ 1,158,574</b>	<b>\$ 677,712</b>	<b>\$ 506,663</b>	<b>\$ 700,162</b>	<b>\$ 1,082,091</b>

Source: Byram Township School District Financial Reports.

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

	June 30,				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund:					
Reserved	\$ 203,921				
Restricted		\$ 211,351	\$ 1,145,910	\$ 1,630,910	\$ 1,303,042
Assigned		801,935.00	603,401	694,461	315,719
Unreserved/Deficit	88,832			37,163	39,217
Unassigned		70,382	21,690		
Total General Fund	<u>\$ 292,753</u>	<u>\$ 1,083,668</u>	<u>\$ 1,771,001</u>	<u>\$ 2,362,534</u>	<u>\$ 1,657,978</u>
All Other Governmental Funds:					
Restricted					
Committed					
Unreserved	\$ 66		\$ 1	\$ 1	593,868
Total All Other Governmental Funds	<u>\$ 66</u>	<u>\$ - 0 -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 593,868</u>
Total Governmental Funds	<u>\$ 292,819</u>	<u>\$ 1,083,668</u>	<u>\$ 1,771,002</u>	<u>\$ 2,362,535</u>	<u>\$ 2,251,846</u>

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

	June 30,				
	2015	2016	2017	2018	2019
General Fund:					
Reserved					
Restricted	\$ 2,005,672	\$ 2,321,757	\$ 2,987,756	\$ 2,924,756	\$ 3,803,151
Assigned	383,709	465,252	176,686	978,954	87,086
Unreserved	(10,616)	27,133	13,839		60,000
Unassigned					40,533
Total General Fund	<u>\$ 2,378,765</u>	<u>\$ 2,814,142</u>	<u>\$ 3,178,281</u>	<u>\$ 3,903,710</u>	<u>\$ 3,990,770</u>
All Other Governmental Funds:					
Restricted			368	560	258
Committed			26,492		
Unreserved	67,542	101,801			
Total All Other Governmental Funds	<u>\$ 67,542</u>	<u>\$ 101,801</u>	<u>\$ 26,860</u>	<u>\$ 560</u>	<u>\$ 258</u>
Total Governmental Funds	<u>\$ 2,446,307</u>	<u>\$ 2,915,943</u>	<u>\$ 3,205,141</u>	<u>\$ 3,904,270</u>	<u>\$ 3,991,028</u>

Source: Byram Township School District Financial Reports.

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

UNAUDITED

*(Modified Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,				
	2010	2011	2012	2013	2014
Revenues:					
Tax Levy	\$ 10,502,403	\$ 10,750,713	\$ 10,944,901	\$ 11,152,427	\$ 11,362,800
Tuition Charges	22,458	23,302	84,111		
Interest Earnings					
Miscellaneous	112,523	83,951	78,868	80,923	63,063
State Sources	4,276,627	4,180,769	4,483,481	4,779,469	4,706,133
Federal Sources	852,616	351,133	355,837	286,371	246,965
Total Revenue	15,766,627	15,389,868	15,947,198	16,299,190	16,378,961
Expenditures					
Instruction:					
Regular Instruction	4,604,241	4,244,814	4,392,070	4,641,956	4,948,303
Special Education Instruction	1,229,129	1,136,995	1,273,022	1,350,151	1,175,823
Other Special Education	317,763	375,388	248,731	251,874	184,409
Co-Curricular Activities & Athletics	58,535	64,766	62,380	61,704	65,997
Support Services:					
Tuition	125,566	180,124	289,676	290,144	334,506
Student & Instruction Related Services	1,384,286	1,479,157	1,490,233	1,539,812	1,563,752
General Administrative Services	421,501	390,037	382,265	297,150	323,134
School Administrative Services	440,428	470,806	463,331	441,477	444,061
Central Services	206,250	213,123	222,803	217,885	238,109
Administrative Information Technology	167,650	97,139	162,623	122,251	211,240
Plant Operations and Maintenance	1,182,700	1,142,392	1,211,764	1,167,160	1,267,319
Student Transportation	716,489	673,708	643,095	673,802	767,252



**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,			
	2010	2011	2012	2013
Expenditures				
Support Services:				
Unallocated Benefits	\$ 3,248,760	\$ 3,158,994	\$ 3,383,927	\$ 3,588,565
Charter Schools	31,489	37,999	50,128	76,903
Capital Outlay	60,353	111,584	240,585	164,984
Debt Service:				
Principal	507,843	529,347	545,929	572,632
Interest and Other Charges	310,840	292,645	271,269	249,206
Total Expenditures	<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>752,804</u>	<u>790,850</u>	<u>613,367</u>	<u>591,534</u>
Other Financing Sources/(Uses):				
Capital Leases (non-budgeted)	29,656		73,967	
Cancellation of Prior Year Accounts Payable				
Transfers In				593,868
Transfers Out				(593,868)
Total Other Financing Sources/(Uses)	<u>29,656</u>		<u>73,967</u>	
Net Change in Fund Balances	<u>\$ 782,460</u>	<u>\$ 790,850</u>	<u>\$ 687,334</u>	<u>\$ 591,534</u>
Debt Service as a Percentage of Noncapital Expenditures	5.47%	5.67%	5.29%	5.41%
				5.15%

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,				
	2015	2016	2017	2018	2019
Revenues:					
Tax Levy	\$ 11,462,040	\$ 11,679,738	\$ 11,773,011	\$ 11,810,578	\$ 12,029,810
Tuition Charges	14,741	46,080	83,512	34,500	42,000
Interest Earnings					45,592
Miscellaneous	184,048	101,161	115,419	72,813	150,423
State Sources	5,518,837	5,527,554	5,672,309	6,046,999	6,370,510
Federal Sources	238,599	264,247	258,501	264,213	241,314
<b>Total Revenue</b>	<b>17,418,265</b>	<b>17,618,780</b>	<b>17,902,752</b>	<b>18,229,103</b>	<b>18,879,649</b>
Expenditures					
Instruction:					
Regular Instruction	5,068,702	4,519,552	4,429,856	4,280,074	4,216,283
Special Education Instruction	1,332,629	1,505,523	1,812,234	1,834,549	1,781,542
Other Special Education	149,859	213,424	298,442	405,371	423,067
Co-Curricular Activities & Athletics	62,180	64,523	26,127	20,832	23,528
Support Services:					
Tuition	222,985	371,016	326,902	190,843	306,449
Student & Instruction Related Services	1,617,243	1,867,892	1,805,112	1,893,465	1,953,598
General Administrative Services	380,074	369,042	359,989	368,246	343,999
School Administrative Services	494,146	459,591	452,571	467,300	463,027
Central Services	241,647	250,309	267,624	253,000	264,715
Administrative Information Technology	196,799	131,299	73,573	67,551	88,092
Plant Operations and Maintenance	1,149,951	1,216,595	1,180,966	1,240,168	1,314,454
Student Transportation	528,248	591,939	587,470	531,654	558,325

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,				
	2015	2016	2017	2018	2019
Expenditures					
Support Services:					
Unallocated Benefits	\$ 3,738,218	\$ 4,237,738	\$ 4,495,998	\$ 4,849,905	\$ 5,194,041
Charter Schools	81,238	136,291	116,831	135,678	204,175
Capital Outlay	1,187,834	472,619	638,769	238,410	916,073
Debt Service:					
Principal	580,000	630,000	680,000	695,000	705,000
Interest and Other Charges	192,150	111,791	59,658	48,142	36,523
Total Expenditures	<u>17,223,903</u>	<u>17,149,144</u>	<u>17,612,122</u>	<u>17,520,188</u>	<u>18,792,891</u>
Excess/(Deficiency) of Revenue					
Over/(Under) Expenditures	<u>194,362</u>	<u>469,636</u>	<u>290,630</u>	<u>708,915</u>	<u>86,758</u>
Other Financing Sources/(Uses):					
Capital Leases (non-budgeted)					
Cancellation of Prior Year Accounts Payable			(1,431)		
Transfers In				(9,786)	
Transfers Out					
Total Other Financing Sources/(Uses)			<u>(1,431)</u>	<u>(9,786)</u>	
Net Change in Fund Balances	<u>\$ 194,362</u>	<u>\$ 469,636</u>	<u>\$ 289,199</u>	<u>\$ 699,129</u>	<u>\$ 86,758</u>
Debt Service as a Percentage of Noncapital Expenditures	4.82%	4.45%	4.20%	4.20%	4.15%

Source: Byram Township School District Financial Reports.

BYRAM TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS

UNAUDITED

*(Modified Accrual Basis of Accounting)*

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Prior Year Refunds	Rentals - Use of Facilities	Activity Fees	Donations	Miscellaneous	Total
2010	\$ 4,350	\$ 22,458		\$ 13,556.00			\$ 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
2019	45,592	42,000		14,938			125,945 *	228,475

\* - Includes an insurance refund of \$69,013.

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 <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Total Assessed Value	Total Direct School Tax Rate <sup>b</sup>	Actual (County Equalized Value)
					Regular										
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			
2018	15,247,700	812,600,000	16,872,100	77,322,400	1,881,100	1,115,600		925,038,900	68,355,600	925,038,900	1.27	990,189,256			

^ - 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.

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

<sup>b</sup> 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		Total Direct School Rate	Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic School Rate <sup>a</sup>	School Debt Service <sup>b</sup>		Municipality	County	Regional High School	
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	0.078	1.268	0.928	0.595	0.687	3.478
2018	1.192	0.078	1.270	0.935	0.622	0.718	3.545

^ - 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.

<sup>a</sup> The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

Source: Byram Township Tax Collector and School Business Administrator.

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

Taxpayer	2019			2010		
	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%	\$ 22,696,700	1	2.04%
Tilcon New York, Inc.	5,110,500	2	0.55%			
YK Realty Co, LLC	4,233,500	3	0.46%			
Byram Self Storage, LLC	3,900,000	4	0.42%	4,950,000	3	0.44%
Stanhope Realty, LLC	2,875,000	5	0.31%			
Panther Lake Camping Resort	2,716,100	6	0.29%	2,939,200	5	0.26%
206 Acorn Development Corp.	1,951,400	7	0.21%	2,575,200	6	0.23%
US Bank Trust c/o Resicap	1,802,000	8	0.19%			
Federal National Mortgage Association Individual Taxpayer #1	1,780,800	9	0.19%			
Byram Land Development LLC	1,704,000	10	0.18%	2,486,900	7	0.22%
One Main Street Sparta, LLC				5,323,700	2	0.48%
Lake Lackawanna Invest. Corp				2,009,500	10	0.18%
Tozzo, Domenick c/o Lynnes Nissan Individual Taxpayer #2				2,208,400	9	0.20%
				3,607,700	4	0.32%
				2,367,200	8	0.21%
<b>Total</b>	<b>\$ 43,785,400</b>		<b>4.73%</b>			<b>4.58%</b>

Source: Byram Township Tax Assessor.

Note: Individual Taxpayers in 2019 and 2010 may be different. A revaluation was effective in 2012.

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> <sup>a</sup>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
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 -
2019	12,029,810	12,029,810	100.00%	- 0 -

<sup>a</sup> 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 <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Early Retirement Incentive Plan	Capital Leases	Loans Payable	Capital Leases				
2010	\$ 6,700,000	\$ 201,332	\$ 66,508	\$ 207,329	\$ - 0 -	\$ 7,175,170	1.80%	853.27	
2011	6,220,000	189,397	44,930	157,982	- 0 -	6,612,309	1.61%	790.28	
2012	5,725,000	176,477	64,799	107,053	- 0 -	6,073,329	1.44%	732.96	
2013	5,205,000	162,491	49,710	54,421	- 0 -	5,471,622	1.30%	666.21	
2014	4,655,000	147,352	34,473	- 0 -	- 0 -	4,836,825	1.11%	594.28	
2015	5,075,000	130,964	19,056	- 0 -	- 0 -	4,225,020	0.95%	524.91	
2016	3,540,000	113,224	2,795	- 0 -	- 0 -	3,656,019	0.81%	458.15	
2017	2,860,000	94,020	- 0 -	- 0 -	- 0 -	2,954,020	0.63%	371.01	
2018	2,165,000	73,232	- 0 -	- 0 -	- 0 -	2,238,232	0.50%	280.37	
2019	1,460,000	50,729	- 0 -	- 0 -	- 0 -	1,510,729	0.32%	190.44	

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

<sup>a</sup> 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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
	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%	796.77
2011	6,220,000	- 0 -	6,220,000	0.56%	743.40
2012	5,725,000	- 0 -	5,725,000	0.52%	690.92
2013	5,205,000	- 0 -	5,205,000	0.56%	633.75
2014	4,655,000	- 0 -	4,655,000	0.50%	571.94
2015	4,075,000	- 0 -	4,075,000	0.44%	506.27
2016	3,540,000	- 0 -	3,540,000	0.38%	443.61
2017	2,860,000	- 0 -	2,860,000	0.31%	359.21
2018	1,460,000	- 0 -	1,460,000	0.16%	184.04

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

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

<sup>b</sup> 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, 2018  
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	5.819%	<u>6,319,423</u>
Subtotal, Overlapping Debt as of December 31, 2018			9,883,206
Byram Township School District Direct Debt			<u>1,460,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 11,343,206</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.

<sup>a</sup> 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$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	\$29,514,722
Total Net Debt Applicable to Limit	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	1,460,000
Legal Debt Margin	\$28,333,484	\$28,331,642	\$28,208,314	\$27,309,031	\$26,391,876	\$25,524,980	\$25,611,468	\$26,124,514	\$27,797,890	\$28,054,722
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	19.60%	18.38%	17.13%	16.15%	14.99%	13.77%	12.14%	9.87%	7.40%	4.95%

Legal Debt Margin Calculation for Fiscal Year 2019

	Year	Equalized Valuation Basis
Average Equalized Valuation of Taxable Property	2016	965,576,690
	2017	990,802,053
	2018	995,093,481
		<u>\$2,951,472,224</u>
		<u>\$ 983,824,075</u>
Debt Limit (3% of average equalization value) <sup>a</sup>		\$ 29,514,722
Net Bonded School Debt as of June 30, 2019		1,460,000
Legal Debt Margin		<u>\$ 28,054,722</u>

<sup>a</sup> Limit set by NJS 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 <sup>a</sup>	Per Capita Personal Income <sup>b</sup>	Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2010	8,409	\$ 47,423	\$ 398,780,007	9.20%
2011	8,367	49,072	410,585,424	9.80%
2012	8,286	50,809	421,003,374	9.50%
2013	8,213	51,392	422,082,496	9.50%
2014	8,139	53,709	437,137,551	5.70%
2015	8,049	55,528	446,944,872	5.10%
2016	7,980	56,711	452,553,780	4.50%
2017	7,962	59,193	471,294,666	4.20%
2018	7,933	59,193 **	469,578,069	3.70%
2019	7,933 *	59,193 **	469,578,069 ***	N/A

\* - Latest Sussex County population available (2018) was used for calculation purposes.

\*\* - Latest Sussex County per capita income available (2017) was used for calculation purposes.

\*\*\* - Latest available population data (2018) and latest available Sussex County per capita personal income (2017) was used for calculation purposes.

N/A - Information is not currently available.

Sources:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development.

<sup>b</sup> Per capita personal income by municipality estimated based upon the 2007 Census published by the US Bureau of Economic Analysis.

<sup>c</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>d</sup> 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

	2018		2009		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
Selective Insurance Group, Inc.		1000-4999	Newton Memorial Hospital	1,109	24.90%
Crystal Springs Resort		1000-4999	County of Sussex	770	17.29%
Newton Medical Center-Atlantic Health		500-999	Shop Rite (Ronetco Supermarkets, Inc.)	672	15.09%
Sussex County Offices		500-999	Sussex County Community College	516	11.59%
Thor Labs		500-999	Walmart	426	9.56%
Mountain Creek Resort		500-999	Newton Board of Education	266	5.97%
Shop Rite - Byram		250-499	Lakeland Bank	226	5.07%
Sussex County Community College		250-499	Kittatinny Regional High School	169	3.79%
United Methodist Community @ Bristol Glen		250-499	Thorlabs	150	3.37%
Andover Subacute & Rehap Center		100-249	All Quality Care, Inc.	150	3.37%
Total		<u>2,850-8,992</u>	Total	<u>4,454</u>	<u>100.00%</u>
Total Employment		<u>75,370</u>	Total Employment	<u>81,045</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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction:										
Regular	64.0	56.0	59.0	62.0	68.0	65.0	61.7	59.1	58.9	56.1
Special Education	25.0	24.0	27.0	22.0	17.0	27.0	33.6	39.5	31.5	32.9
Other	4.0	4.0	3.0			3.0	2.0	3.0	5.2	5.0
Support Services:										
Student & Instruction Related Services	6.0	8.0	6.0	15.0	29.0	21.5	19.0	18.0	25.9	30.4
School Administrative Services	6.0	5.0	5.0	5.0	8.5	7.0	7.0	6.5	7.0	7.0
General Administrative Services	4.0	4.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.1
Central Services	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Plant Operations and Maintenance	12.0	12.0	10.0	11.0	12.5	11.0	10.3	10.3	10.5	10.5
Administrative Information Technology	1.0	1.0	1.0	1.0	2.0	2.0	-	0.0	0.0	0.0
Pupil Transportation							1.2	1.2	1.2	1.3
	<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>	<u>148.3</u>

Source: Byram Township School District Financial Reports.

BYRAM TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary and Middle Schools	Schools				
2010	1,082	\$ 14,134,787	\$ 13,064	0.09%	93.0	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%	
2019	813	17,135,295	21,077	7.56%	98.5	8.3:1	815	783	-3.44%	96.07%	

Note: Enrollment based on annual October District count.

<sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay.

<sup>b</sup> Teaching staff includes only full-time equivalents of certificated staff.

<sup>c</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

Sources: Byram Township School District Records.



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

District BuildingsByram Lakes Elementary School:

<u>Fiscal Year</u>	<u>Square Feet</u>	<u>Capacity (Students)</u>	<u>Enrollment</u>
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
2019	85,173	892	424

Intermediate Middle School:

<u>Fiscal Year</u>	<u>Square Feet</u>	<u>Capacity (Students)</u>	<u>Enrollment</u>
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
2019	87,931	614	389

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

Facility	Project #'(s)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES</b>											
11-000-261-XXX											
<u>School Facilities:</u>											
Byram Lakes Elementary	N/A	\$ 31,117	\$ 20,867	\$ 32,080	\$ 38,319	\$ 82,595	\$ 37,111	\$ 60,813	\$ 54,878	\$ 63,704	\$ 91,386
Intermediate Middle	N/A	50,921	48,435	134,685	46,321	79,357	104,777	186,473	95,800	90,169	117,785
Total School Facilities		<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>	<u>\$ 209,171</u>

N/A - Not Applicable

Source: Byram Township School District Records.

BYRAM TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2019  
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, Employe Benefits:			
Per Occurence	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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 12, 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.

November 12, 2019  
Mount Arlington, New Jersey

NISIVOCCA LLP



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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, 2019. 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, 2019.

**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.

November 12, 2019  
Mount Arlington, New Jersey

NISIVOCIA LLP



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



BYRAM TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass Through Grantor/ Program Title/ Cluster Title	Federal CFDA Number	State Project Number	Grant Period	Award Amount	Balance at June 30, 2018			Cash Received	Budgetary Expenditures	Balance at June 30, 2019		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor			Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amounts Provided to Subrecipients
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	\$ (49,444)		\$ 49,444	\$ (177,647)				
I.D.E.A. Part B, Basic	84.027	IDEA0640-19	7/1/18-6/30/19	177,647			177,647	(10,438)				
I.D.E.A. Part B, Preschool	84.173	IDEA0640-19	7/1/18-6/30/19	10,438			237,529	(188,085)				
Total Special Education Cluster												
Elementary and Secondary Education Act												
Title I	84.010A	ESEA0640-18	7/1/17-6/30/18	55,339	(12,848)		12,848	(32,110)				
Title I	84.010A	ESEA0640-19	7/1/18-6/30/19	47,540	(773)		32,110	773				
Title II, Part A	84.367A	ESEA0640-18	7/1/17-6/30/18	13,171			9,846	(11,656)	\$ 1,810			
Title II, Part A	84.367A	ESEA0640-19	7/1/18-6/30/19	12,371	(5,986)		5,986					
Title IV	84.424	ESEA0640-18	7/1/17-6/30/18	10,000			9,463	(9,463)				
Title IV	84.424	ESEA0640-19	7/1/18-6/30/19	14,014								
Total Special Revenue Fund												
Total U.S. Department of Education												
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				(3,100)				
U.S.D.A Commodities Program	10.555	N/A	7/1/18-6/30/19	15,615			15,615	(12,352)		\$ 3,263		
National School Lunch Program	10.555	N/A	7/1/17-6/30/18	37,705	(4,409)		4,409					
National School Lunch Program	10.555	N/A	7/1/18-6/30/19	36,989			34,412	(36,989)		2,577		
School Breakfast Program	10.553	N/A	7/1/18-6/30/19	1,928			1,784	(1,928)		144		
Total U.S. Department of Agriculture/Child Nutrition Cluster												
Total Federal Awards												
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, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018		Balance at June 30, 2019		MEMO	
				Budgetary Accounts Receivable	Cash Received	Budgetary Expenditures	GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable
New Jersey Department of Education									
General Fund:									
Equalization Aid	19-495-034-5120-078	7/1/18 - 6/30/19	\$ 2,512,278		\$ 2,265,745	\$ (2,512,278)		\$ (246,533)	\$ 2,512,278
School Choice Aid	19-495-034-5120-068	7/1/18 - 6/30/19	441,082		397,798	(441,082)		(43,284)	441,082
Special Education Categorical Aid	19-495-034-5120-089	7/1/18 - 6/30/19	542,873		489,600	(542,873)		(53,273)	542,873
Security Aid	19-495-034-5120-084	7/1/18 - 6/30/19	70,573		63,648	(70,573)		(6,925)	70,573
Transportation Aid	19-495-034-5120-014	7/1/18 - 6/30/19	232,137		209,357	(232,137)		(22,780)	232,137
Nonpublic Transportation	19-495-034-5120-014	7/1/18 - 6/30/19	2,517			(2,517)	\$ (2,517)	(2,517)	2,517
Extraordinary Special Education Aid	19-100-034-5120-473	7/1/18 - 6/30/19	104,073			(104,073)	(104,073)	(104,073)	104,073
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18 - 6/30/19	519,436		519,436	(519,436)			519,436
On-Behalf TPAF Post Retirement Contributions	19-495-034-5094-001	7/1/18 - 6/30/19	606,170		606,170	(606,170)			606,170
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/1/18 - 6/30/19	1,308,959		1,308,959	(1,308,959)			1,308,959
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/1/18 - 6/30/19	27,400		27,400	(27,400)			27,400
On-Behalf TPAF Long-Term Disability Insurance	19-495-034-5094-004	7/1/18 - 6/30/19	1,644		1,644	(1,644)			1,644
Equalization Aid	18-495-034-5120-078	7/1/17 - 6/30/18	2,512,278	\$ (246,550)	246,550				2,512,278
School Choice Aid	18-495-034-5120-068	7/1/17 - 6/30/18	336,362	(33,010)	33,010				336,362
Special Education Categorical Aid	18-495-034-5120-089	7/1/17 - 6/30/18	542,873	(53,276)	53,276				542,873
Security Aid	18-495-034-5120-084	7/1/17 - 6/30/18	70,573	(6,926)	6,926				70,573
PARCC Readiness Aid	18-495-034-5120-098	7/1/17 - 6/30/18	8,395	(824)	824				8,395
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17 - 6/30/18	8,395	(824)	824				8,395
Professional Learning Community Aid	18-495-034-5120-101	7/1/17 - 6/30/18	8,530	(837)	837				8,530
Transportation Aid	18-495-034-5120-014	7/1/17 - 6/30/18	325,211	(31,916)	31,916				325,211
Nonpublic Transportation	18-495-034-5120-014	7/1/17 - 6/30/18	1,914	(1,914)	1,914				1,914
Extraordinary Special Education Aid	18-100-034-5120-473	7/1/17 - 6/30/18	68,369	(68,369)	68,369				68,369
<b>Total General Fund State Aid</b>				(444,446)	6,334,203	(6,369,142)	(106,590)	(479,385)	10,252,042
Capital Projects Fund:									
Schools Development Authority:									
Educational Facilities Construction & Financing Act:									
Byram Intermediate School	0640-030-13-2001								
Roof Replacement	G4 Roof	1/16/14-6/30/20	356,294	(46,459)				(46,459)	356,294
				(46,459)				(46,459)	356,294

BYRAM TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018		Balance at June 30, 2019		MEMO	
				Budgetary Accounts Receivable	Cash Received	Budgetary Expenditures	GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable
<b>Enterprise Fund:</b>									
State School Lunch Program	18-100-010-3350-023	7/1/17 - 6/30/18	\$ 2,232	\$ (274)	\$ 274				\$ 2,232
State School Lunch Program	19-100-010-3350-023	7/1/18 - 6/30/19	2,155		2,003	\$ (2,155)	\$ (152)		2,155
Total Enterprise Fund				(274)	2,277	(2,155)	(152)	(152)	4,387
Total State Awards Subject to Single Audit Determination			\$ (491,179)	\$ 6,336,480	\$ (6,371,297)	\$ (106,742)	\$ -0-	\$ (525,996)	\$ 10,612,723
<b>Less: State Awards Not Subject to Single Audit Major Program Determination</b>									
<b>On-Behalf TPAF Pension System Contributions:</b>									
On-Behalf TPAF Post Retirement Contributions	19-495-034-5094-001	7/1/18 - 6/30/19	(606,170)		\$ 606,170				
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/1/18 - 6/30/19	(1,308,959)		1,308,959				
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/1/18 - 6/30/19	(27,400)		27,400				
On-Behalf TPAF Long-Term Disability Insurance	19-495-034-5094-004	7/1/18 - 6/30/19	(1,644)		1,644				
Subtotal - On-Behalf TPAF Pension System Contributions					1,944,173				
Total State Awards Subject to Single Audit Major Program Determination					\$ (4,427,124)				

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, 2019

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, 2019. 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 \$1,368 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, 2019  
(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		\$ 6,370,510	\$ 6,370,510
Special Revenue Fund	\$ 241,314		241,314
Food Service Fund	54,369	2,155	56,524
Total Awards	<u>\$ 295,683</u>	<u>\$ 6,372,665</u>	<u>\$ 6,668,348</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, 2019.

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, 2019, \$356,294 of the grant funds have been expended and \$309,835 have been drawn down and received. As of June 30, 2019, 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, 2019

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, 2019 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	19-495-034-5120-078	7/1/18 - 6/30/19	\$ 2,512,278	\$ 2,512,278
School Choice Aid	19-495-034-5120-068	7/1/18 - 6/30/19	441,082	441,082
Special Education Categorical Aid	19-495-034-5120-089	7/1/18 - 6/30/19	542,873	542,873
Security Aid	19-495-034-5120-084	7/1/18 - 6/30/19	70,573	70,573

- 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, 2019  
(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, 2019

Status of Prior Year Findings:

There were no prior year audit findings.