

**BYRAM TOWNSHIP
SCHOOL DISTRICT**

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive
Financial Report**

of the

BYRAM TOWNSHIP SCHOOL DISTRICT

Byram, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

**Byram Township Board of Education
Finance Department**

BYRAM TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

TOWNSHIP OF BYRAM BOARD OF EDUCATION

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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 Annual Comprehensive Financial Report (ACFR) of the Byram Township School District (District) for the fiscal year ended June 30, 2023. 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 Annual Comprehensive 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* 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 elementary students enrolled in the Byram Township School District attend two schools comprising the District. Students for 9th through 12th grade attend the Lenape Valley Regional High School in Stanhope, N.J.

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

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

Reporting Entity

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

The District completed the 2022-23 fiscal year with an average daily enrollment of 833 students, which is seventeen more students 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>
2022-23	833	2.08%
2021-22	816	0.99%
2020-21	808	-1.34%
2019-20	819	.49%
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%

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 was projected to lose approximately \$2 million in State aid over a six-year period. Fortunately, enrollment increased this past year and the most recent cut (the fourth straight year of cuts) to state aid was not as severe as originally expected. The cuts could resume or increase if enrollment begins to decline again. The district does have School Choice students and receives \$410,380 in additional State aid as a result of the Choice program. Inflation has negatively affected the cost of all items and services in the district these past few years.

The School District attributes much of its past education success to the community's demand for, and support of, a quality school system. Our focus continues to be the delivery of a high quality education to all students in the district.

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. Our RTI program has allowed the Byram School District to target specific areas of student learning while in the classroom. Our Mass Media program provides an opportunity for our 8th grade students to report the news of the school to the entire district on our morning announcements.

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 fifth 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 maintain SMARTboard units in the classrooms. 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 replacement of unit ventilators with new HVAC in some classrooms was completed this past year. The Byram Intermediate School "open space" area continues to be a focus of future facilities projects as tentative plans are being considered to repurpose the space for additional preschool classes. A 911 notification system installed ensures compliance with Alyssa's Law. In addition, a new telephone system was installed in both schools at the start of the 20-21 school year.

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.

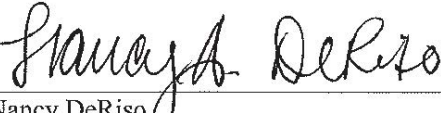
Independent Audit

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* 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.

Acknowledgments

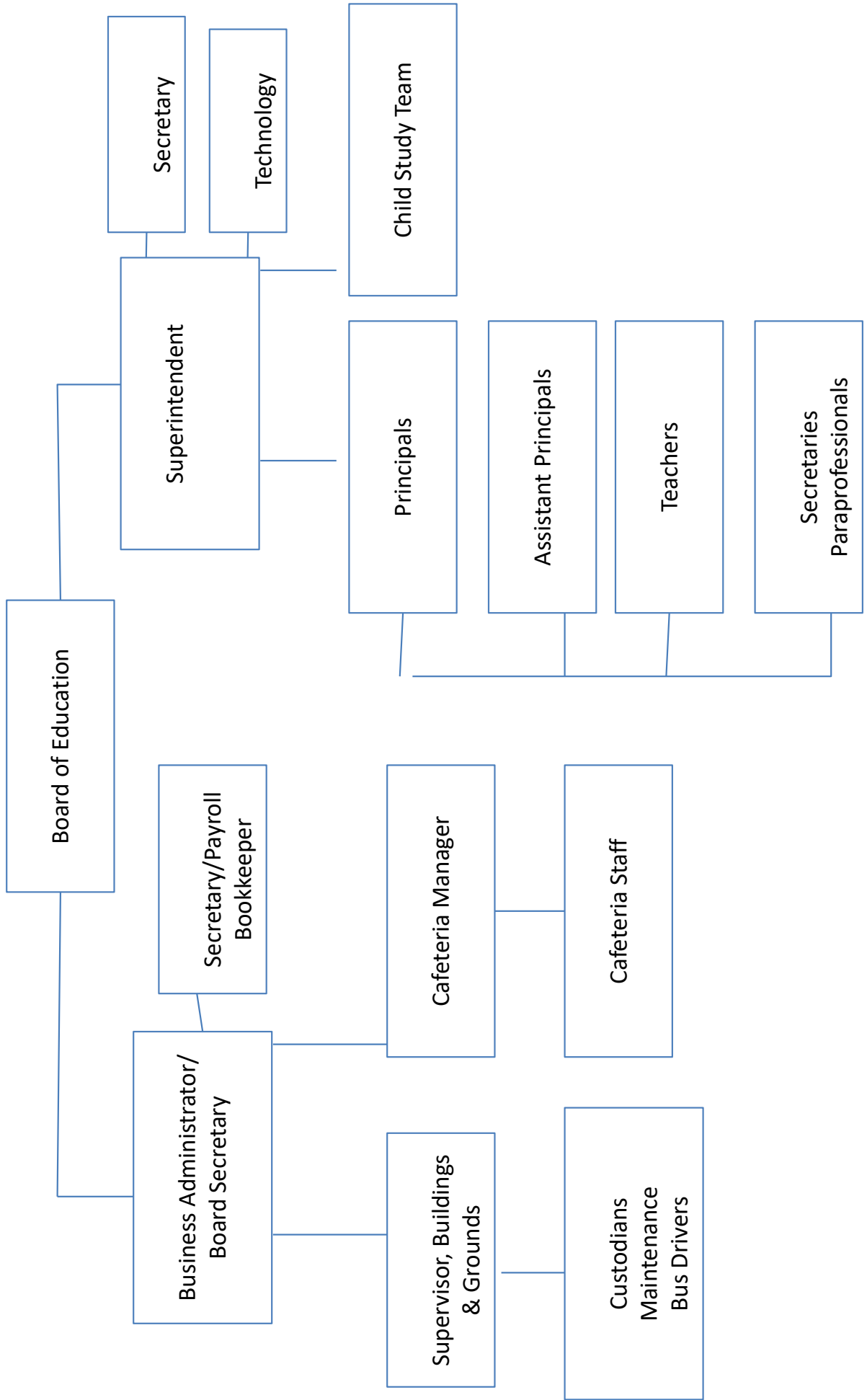
We would like to express our appreciation to the members of the Township of Byram School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,



Nancy DeRiso
Business Administrator

Byram Township Board of Education Organizational Chart/Chain of Command



**BYRAM TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Julie Lucente	President	2023
James McBain	Vice President	2023
Courtney Gallagher	Member	2024
Charles Kranz	Member	2025
Susan McCall	Member	2025
Kristy McFarlane	Member	2024
MaryAnn Risley	Member	2023

Other Officers

John Fritzky, Superintendent

Nancy DeRiso, Business Administrator/Board Secretary

**BYRAM TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors**

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FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 District, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 post-retirement 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 is the responsibility of management and, although not a part of the basic financial statements, are 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023 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 District's internal control over financial reporting and compliance.

September 29, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2023**

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, 2023. 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

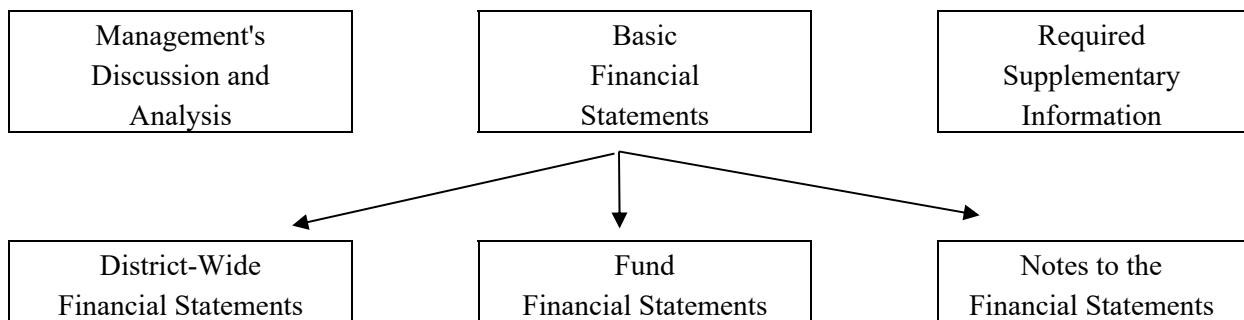
This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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.

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 Byram Township School District’s Financial Report**



**Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2023**

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.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
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
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, lease assets, subscription assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
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

**Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2023**

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 liabilities) or to show that it is properly using certain revenue (such as federal grants).

The District has two 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, 2023**

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 Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a school’s financial position.

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

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	
Current and Other Assets	\$ 5,857,772	\$ 6,931,327	\$ 204,032	\$ 128,335	\$ 6,061,804	\$ 7,059,662	
Capital Assets, Net	13,671,632	12,990,361	8,349	9,289	13,679,981	12,999,650	
Total Assets	19,529,404	19,921,688	212,381	137,624	19,741,785	20,059,312	-1.58%
Deferred Outflows of Resources	344,389	272,433			344,389	272,433	26.41%
Other Liabilities	587,159	613,506	38,368	11,038	625,527	624,544	
Long-Term Liabilities	2,199,617	1,856,746			2,199,617	1,856,746	
Total Liabilities	2,786,776	2,470,252	38,368	11,038	2,825,144	2,481,290	13.86%
Deferred Inflows of Resources	464,736	1,170,264			464,736	1,170,264	-60.29%
Net Position:							
Net Investment in							
Capital Assets	13,671,632	12,990,361	8,349	9,289	13,679,981	12,999,650	
Restricted	3,977,788	3,949,324			3,977,788	3,949,324	
Unrestricted / (Deficit)	(1,027,139)	(386,080)	165,664	117,297	(861,475)	(268,783)	
Total Net Position	\$ 16,622,281	\$ 16,553,605	\$ 174,013	\$ 126,586	\$ 16,796,294	\$ 16,680,191	0.70%

The District’s financial position is the product of financial transactions including the net results of activities, long-term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Changes in Net Position. Net position in the Governmental Activities increased due primarily to the change in Net Pension Liability, the maturity of long term liabilities, capital assets additions offset by depreciation expense as well as excess revenues and unexpended budget balances in the General Fund. An explanation for the change in Net Position for Business-Type Activities is included later in this section of the report.

**Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2023**

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	
Revenue:							
Program Revenue:							
Charges for Services	\$ 209,405	\$ 90,830	\$ 219,184		\$ 428,589	\$ 90,830	
Operating Grants & Contributions	3,685,801	4,536,675	110,432	\$ 381,972	3,796,233	4,918,647	
General Revenue:							
Property Taxes	12,205,223	11,965,905			12,205,223	11,965,905	
Unrestricted Federal & State Aid	1,676,469	1,978,776			1,676,469	1,978,776	
Other	182,722	42,479	156	321	182,878	42,800	
Total Revenue	17,959,620	18,614,665	329,772	382,293	18,289,392	18,996,958	-3.72%
Expenses:							
Instruction	10,063,485	10,362,082			10,063,485	10,362,082	
Pupil & Instruction Services	2,634,719	2,859,672			2,634,719	2,859,672	
Administrative & Business	1,747,104	1,755,590			1,747,104	1,755,590	
Maintenance & Operations	1,710,634	1,496,752			1,710,634	1,496,752	
Transportation	1,043,319	754,162			1,043,319	754,162	
Other	691,683	666,896	282,345	286,937	974,028	953,833	
Total Expenses	17,890,944	17,895,154	282,345	286,937	18,173,289	18,182,091	-0.05%
Change in Net Position	\$ 68,676	\$ 719,511	\$ 47,427	\$ 95,356	\$ 116,103	\$ 814,867	-85.75%

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District increased from the prior year. 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 School Health Insurance Fund – 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, 2023**

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>2022/2023</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2021/2022</u>
Instruction	\$ 10,063,485	\$ 10,362,082	\$ 7,009,936	\$ 6,814,607
Pupil and Instruction Services	2,634,719	2,859,672	2,263,765	2,303,322
Administrative and Business	1,747,104	1,755,590	1,534,644	1,513,326
Maintenance and Operations	1,710,634	1,496,752	1,694,342	1,451,027
Transportation	1,043,319	754,162	801,368	518,471
Other	691,683	666,896	691,683	666,896
	<u>\$ 17,890,944</u>	<u>\$ 17,895,154</u>	<u>\$ 13,995,738</u>	<u>\$ 13,267,649</u>

Business-Type Activities

Net position from the District’s business-type activity increased by \$47,427. The increase is due primarily to the higher level of lunch sales activity on a monthly basis offset by an increase in repair costs and supplies.

Financial Analysis of the District’s Funds

The District’s financial position in the General Fund decreased due to increased expenditures due to significant changes of expenditures in student needs as well as increased salary and health benefit costs.

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, 2023**

General Fund Budgetary Highlights

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

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

Capital Asset and Long-Term Liabilities Administration

At year-end, the District had \$13,679,981 in capital assets as shown in Figure A-6. Capital Assets had a net increase of \$680,331 or 5.23% more than the prior year.

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

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	
Land	\$ 2,136,587	\$ 2,136,587			\$ 2,136,587	\$ 2,136,587	
Construction in Progress		627,452				627,452	
Site Improvements	479,773	556,222			479,773	556,222	
Buildings and Building Improvements	10,501,042	9,193,735			10,501,042	9,193,735	
Machinery and Equipment	554,230	476,365	\$ 8,349	\$ 9,289	562,579	485,654	
Total Capital Assets (Net of Depreciation)	\$ 13,671,632	\$ 12,990,361	\$ 8,349	\$ 9,289	\$ 13,679,981	\$ 12,999,650	5.23%

Long-term Liabilities

More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.

**Figure A-7
Long-Term Liabilities**

	Total School District		Percentage Change
	2022/2023	2021/2022	
Net Pension Liability	\$ 1,927,087	\$ 1,552,688	
Compensated Absences	272,530	304,058	
	\$ 2,199,617	\$ 1,856,746	18.47%

**Byram Township School District
Management Discussion and Analysis
For This Fiscal Year Ended June 30, 2023**

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 current six-year period of approximately \$2 million
- Rising costs and increased need for professional related services
- Increasing transportation and insurance costs
- Unfunded state mandates
- Additional costs associated with the pandemic
- Healthcare could have a significant impact on the Byram Township School District and we will continue to monitor the situation even though savings has been obtained through membership in the School Health Insurance Fund.

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 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, 2023

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,238,508	\$ 189,011	\$ 2,427,519
Internal Balances	(2,302)	2,302	
Receivable from State Government	285,390	288	285,678
Receivable from Federal Government	351,971	5,044	357,015
Other Receivables	3,713		3,713
Inventories		7,387	7,387
Restricted Cash and Cash Equivalents	2,980,492		2,980,492
Capital Assets:			
Site (Land)	2,136,587		2,136,587
Depreciable Site Improvements, Building and Building Improvements, and Machinery and Equipment	11,535,045	8,349	11,543,394
Total Assets	<u>19,529,404</u>	<u>212,381</u>	<u>19,741,785</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflow Related to Pensions	344,389		344,389
Total Deferred Outflows of Resources	<u>344,389</u>		<u>344,389</u>
LIABILITIES			
Accounts Payable	565,503	720	566,223
Unearned Revenue	21,656	37,648	59,304
Noncurrent Liabilities:			
Due Beyond One Year	2,199,617		2,199,617
Total Liabilities	<u>2,786,776</u>	<u>38,368</u>	<u>2,825,144</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to Pensions	464,736		464,736
Total Deferred Inflows of Resources	<u>464,736</u>		<u>464,736</u>
NET POSITION			
Net Investment in Capital Assets	13,671,632	8,349	13,679,981
Restricted for:			
Capital Projects	2,001,610		2,001,610
Maintenance	765,155		765,155
Excess Surplus	1,000,000		1,000,000
Unemployment Compensation	132,948		132,948
Student Activities	78,075		78,075
Unrestricted (Deficit)	(1,027,139)	165,664	(861,475)
Total Net Position	<u>\$ 16,622,281</u>	<u>\$ 174,013</u>	<u>\$ 16,796,294</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, 2023

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating		Governmental Activities	Business-Type Activities	Total
			Grants and Contributions				
Governmental Activities:							
Instruction:							
Regular	\$ 6,548,259	\$ 93,000	\$ 1,634,948	\$ (4,820,311)	\$ (4,820,311)	\$ (4,820,311)	\$ (4,820,311)
Special Education	2,703,432		1,169,781	(1,533,651)	(1,533,651)	(1,533,651)	(1,533,651)
Other Special Instruction	695,429		134,113	(561,316)	(561,316)	(561,316)	(561,316)
School-Sponsored/Other Instruction	116,365		21,707	(94,658)	(94,658)	(94,658)	(94,658)
Support Services:							
Tuition	263,961			(263,961)	(263,961)	(263,961)	(263,961)
Student & Instruction Related Services	2,370,758	116,405	254,549	(1,999,804)	(1,999,804)	(1,999,804)	(1,999,804)
General Administrative Services	488,151		52,690	(435,461)	(435,461)	(435,461)	(435,461)
School Administrative Services	691,544		118,911	(572,633)	(572,633)	(572,633)	(572,633)
Central Services	393,469		40,859	(352,610)	(352,610)	(352,610)	(352,610)
Administrative Information Technology	173,940			(173,940)	(173,940)	(173,940)	(173,940)
Plant Operations and Maintenance	1,710,634		16,292	(1,694,342)	(1,694,342)	(1,694,342)	(1,694,342)
Pupil Transportation	1,043,319		241,951	(801,368)	(801,368)	(801,368)	(801,368)
Transfer to Charter School	131,282			(131,282)	(131,282)	(131,282)	(131,282)
Unallocated Depreciation	560,401			(560,401)	(560,401)	(560,401)	(560,401)
Total Governmental Activities	17,890,944	209,405	3,685,801	(13,995,738)	(13,995,738)	(13,995,738)	(13,995,738)

BYRAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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	\$ 282,345	\$ 219,184	\$ 110,432		\$ 47,271	\$ 47,271
Total Business-Type Activities	282,345	219,184	110,432		47,271	47,271
Total Primary Government	\$ 18,173,289	\$ 428,589	\$ 3,796,233	\$ (13,995,738)	47,271	(13,948,467)
General Revenue and Other Item:						
Taxes:						
Property Taxes, Levied for General Purposes				\$ 12,205,223		\$ 12,205,223
Federal and State Aid not Restricted				1,676,469		1,676,469
Interest Earnings & Other Miscellaneous Income				182,722	\$ 156	182,878
Total General Revenue and Other Item				14,064,414	156	14,064,570
Change in Net Position				68,676	47,427	116,103
Net Position - Beginning				16,553,605	126,586	16,680,191
Net Position - Ending				\$ 16,622,281	\$ 174,013	\$ 16,796,294

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, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$ 2,238,508		\$ 2,238,508
Interfund Receivable	323,351		323,351
Receivables From State Government	285,390		285,390
Receivables From Federal Government		\$ 351,971	351,971
Other Receivables	3,713		3,713
Restricted Cash and Cash Equivalents	2,899,713	80,779	2,980,492
Total Assets	\$ 5,750,675	\$ 432,750	\$ 6,183,425
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 349,335	\$ 9,668	\$ 359,003
Interfund Payable	2,302	323,351	325,653
Unearned Revenue		21,656	21,656
Total Liabilities	351,637	354,675	706,312
Fund Balances:			
Restricted:			
Capital Reserve Account	2,001,610		2,001,610
Maintenance Reserve Account	765,155		765,155
Excess Surplus - 2024-2025	500,000		500,000
Excess Surplus - 2023-2024	500,000		500,000
Unemployment Compensation	132,948		132,948
Student Activities		78,075	78,075
Assigned:			
Year End Encumbrances	159,914		159,914
For Subsequent Year's Expenditures	983,000		983,000
Unassigned	356,411		356,411
Total Fund Balances	5,399,038	78,075	5,477,113
Total Liabilities and Fund Balances	\$ 5,750,675	\$ 432,750	\$ 6,183,425

BYRAM TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023
(Continued)

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

Total Fund Balances - Governmental Funds (Above)	\$ 5,477,113
Capital assets used in Governmental Activities are not financial resources and are not reported in the Funds.	13,671,632
Long-Term Liabilities are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(272,530)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not reported in the Governmental Funds.	(1,927,087)
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	137,889
Deferred Inflows	(464,736)
	<u>137,889</u>
	<u>(464,736)</u>
Net Position of Governmental Activities	<u>\$ 16,622,281</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, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 12,205,223		\$ 12,205,223
Tuition from Individuals	93,000		93,000
Rents and Royalties	5,760		5,760
Other Restricted Miscellaneous Revenue	2,626	\$ 116,405	119,031
Unrestricted Miscellaneous Revenue	174,336		174,336
Total - Local Sources	12,480,945	116,405	12,597,350
State Sources	6,252,731	36,233	6,288,964
Federal Sources	4,285	533,818	538,103
Total Revenues	18,737,961	686,456	19,424,417
EXPENDITURES:			
Current:			
Regular Instruction	4,011,523	335,966	4,347,489
Special Education Instruction	1,701,883	197,852	1,899,735
Other Special Instruction	443,316		443,316
School-Sponsored/Other Instruction	74,763		74,763
Support Services and Undistributed Costs:			
Tuition	263,961		263,961
Student and Other Instruction Related Services	1,776,682	75,642	1,852,324
General Administration Services	360,327		360,327
School Administration Services	456,797		456,797
Central Services	287,535		287,535
Administrative Information Technology	173,940		173,940
Plant Operations and Maintenance	1,545,591		1,545,591
Student Transportation	1,012,460		1,012,460
Unallocated Benefits	6,170,750		6,170,750
Capital Outlay	1,378,622	36,233	1,414,855
Transfer of Funds to Charter School	131,282		131,282
Total Expenditures	19,789,432	645,693	20,435,125
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(1,051,471)	40,763	(1,010,708)
Fund Balance - July 1	6,450,509	37,312	6,487,821
Fund Balance - June 30	<u>\$ 5,399,038</u>	<u>\$ 78,075</u>	<u>\$ 5,477,113</u>

THE ACCOMPANYING NOTES 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, 2023

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (1,010,708)

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 differed from Capital Outlays in the period.

Depreciation Expense	\$ (678,178)
Capital Outlays	1,359,449
	681,271

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	(374,399)
Changes in Deferred Outflows	35,456
Changes in Deferred Inflows	705,528
	366,585

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 (+)

Change in Net Position (Exhibit A-2) 31,528
\$ 68,676

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, 2023

	Business-type Activities - Enterprise Funds <u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 189,011
Interfund Receivable - General Fund	2,302
Intergovernmental Accounts Receivable:	
State	288
Federal	5,044
Inventories	<u>7,387</u>
Total Current Assets	<u>204,032</u>
Non-Current Assets:	
Capital Assets	271,005
Less: Accumulated Depreciation	<u>(262,656)</u>
Total Non-Current Assets	<u>8,349</u>
Total Assets	<u>212,381</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	720
Unearned Revenue:	
Supply Chain Assistance (SCA) Funding	28,226
Prepaid Meals	8,195
Donated Commodities	<u>1,227</u>
Total Liabilities	<u>38,368</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	8,349
Unrestricted	<u>165,664</u>
Total Net Position	<u><u>\$ 174,013</u></u>

THE ACCOMPANYING NOTES 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, 2023

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 217,147
Non-Reimbursable Programs	2,037
Total Operating Revenue	219,184
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	118,786
Non-Reimbursable Programs	71
Salaries	83,080
Benefits and Payroll Taxes	25,572
Supplies, Insurance & Other Costs	45,056
Management Fee	8,840
Depreciation Expense	940
Total Operating Expenses	282,345
Operating Loss	(63,161)
Non-Operating Income:	
Local Sources:	
Interest Income	156
State Sources:	
State School Lunch Program	3,838
Federal Sources:	
National School Lunch Program	66,153
Supply Chain Assistance (SCA) Funding	22,851
Food Distribution Program	17,590
Total Non-Operating Income	110,588
Change in Net Position	47,427
Net Position - Beginning of Year	126,586
Net Position - End of Year	\$ 174,013

THE ACCOMPANYING NOTES 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, 2023

	Business-type Activities - Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 216,846
Payments to Food Service Contractor	(224,733)
Payments to Suppliers	(39,604)
	(47,491)
Net Cash (Used for) Operating Activities	
Cash Flows from Investing Activities:	
Interest Income	156
	156
Net Cash Provided by Investing Activities	
Cash Flows from Noncapital Financing Activities:	
Interfund Returned - General Fund	628
State Sources	4,329
Federal Sources	146,021
	150,978
Net Cash Provided by Noncapital Financing Activities	
Net Increase in Cash and Cash Equivalents	103,643
Cash and Cash Equivalents, July 1	87,670
Cash and Cash Equivalents, June 30	\$ 191,313
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (63,161)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	940
Food Distribution Program	17,590
Changes in Assets and Liabilities:	
(Decrease) in Unearned Revenue - Prepaid Meals	(2,338)
Increase in Unearned Revenue - Donated Commodities	722
Increase in Accounts Payable	720
(Increase) in Inventory	(1,964)
	(1,964)
Net Cash Used for Operating Activities	\$ (47,491)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$18,312 and utilized U.S.D.A. Commodities valued at \$17,590.

THE ACCOMPANYING NOTES 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, 2023

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. 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, 2023

(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. Separate statements for each fund category - governmental, and proprietary - 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.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation: (Cont'd)

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, lease of assets or subscription 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.

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.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary 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, lease asset or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

C. Measurement Focus and Basis of Accounting (Cont'd)

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.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, and Special Revenue. The budget for the fiscal year ended June 30, 2023 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 except for Student Activities. 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.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue 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	\$ 18,703,327	\$ 677,181
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not:		
Prior Year Encumbrances		9,275
Prior Year State Aid Payments Recognized for GAAP Basis	265,865	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(231,231)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds.	<u>\$ 18,737,961</u>	<u>\$ 686,456</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 19,789,432	\$ 636,418
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>9,275</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, & Changes in Fund Balances - Governmental Funds	<u>\$ 19,789,432</u>	<u>\$ 645,693</u>

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

E. Cash and Cash Equivalents (Cont'd)

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral 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.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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, 2023.

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, capital 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. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

N. 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.

O. 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 \$167,150 of accrued salaries and wages as of June 30, 2023.

P. 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.

Q. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. 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.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

T. Fund Balance Appropriated:

General Fund: Of the \$5,399,038 General Fund balance at June 30, 2023, \$2,001,610 is restricted in the capital reserve account; \$765,155 in the maintenance reserve account; \$500,000 is excess surplus that will be utilized to support the 2023-2024 budget; \$500,000 is excess surplus that will be utilized to support the 2024-2025 budget; \$132,948 is restricted for unemployment compensation; \$159,914 is assigned for year-end encumbrances; \$983,000 is assigned and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2024; and \$387,642 of unassigned fund balance (which is \$231,231 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, 2024).

Special Revenue Fund: The \$78,075 fund balance in the Special Revenue Fund fund balance at June 30, 2023 is restricted for Student Activities.

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 excess surplus as noted above.

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$231,231 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.

U. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,027,139 which is primarily a result of the net pension liability and 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.

V. Net Position:

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

V. Net Position: (Cont'd)

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 and inflows of resources at June 30, 2023 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, lease assets, net of accumulated amortization, and subscription assets, net of accumulated amortization 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.

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.

W. 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 excess surplus, capital, maintenance reserve, unemployment compensation, and student activities.

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 no fund balance commitments at June 30, 2023.

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 for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2023.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

X. 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.

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.

Y. 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.

Z. 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.

AA. 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.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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.

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 in the section of this note on investments.

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.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

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.
- (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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Investments (Cont'd):

- (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.

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents</u>	<u>Total</u>
Checking Accounts	<u>\$ 2,427,519</u>	<u>\$ 2,980,492</u>	<u>\$ 5,408,011</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$5,408,011 and the bank balance was \$6,197,690. During the fiscal year ended June 30, 2023, the District did not hold any investments.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022		\$ 1,866,535	
Transfer by Board Resolution - June 14, 2023	\$ 135,075		
Return of unexpended balance from Capital Outlay	<u>1,000,000</u>		
		<u>1,135,075</u>	
		3,001,610	
Budget Withdrawal		<u>(1,000,000)</u>	
Ending Balance, June 30, 2023		<u>\$ 2,001,610</u>	

The balance in the capital reserve account at June 30, 2023 does not exceed the balance of local support costs of uncompleted capital projects in the District’s Long-Range Facilities Plan (“LRFP”). Withdrawals from the capital reserve were for use in DOE approved facilities projects consistent with the District’s LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

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

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 890,155
Budgeted Withdrawal	<u>(125,000)</u>
Ending Balance, June 30, 2023	<u><u>\$ 765,155</u></u>

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 2,136,587			\$ 2,136,587
Construction in Progress	627,452		\$ (627,452)	
Total Capital Assets Not Being Depreciated	<u>2,764,039</u>		<u>(627,452)</u>	<u>2,136,587</u>
Capital Assets Being Depreciated:				
Site Improvements	1,609,952			1,609,952
Buildings and Building Improvements	20,925,310	\$ 1,160,703	627,452	22,713,465
Machinery and Equipment	3,476,757	198,746		3,675,503
Total Capital Assets Being Depreciated	<u>26,012,019</u>	<u>1,359,449</u>	<u>627,452</u>	<u>27,998,920</u>
Governmental Activities Capital Assets	<u>28,776,058</u>	<u>1,359,449</u>		<u>30,135,507</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,053,730)	(76,449)		(1,130,179)
Buildings and Building Improvements	(11,731,575)	(480,848)		(12,212,423)
Machinery and Equipment	(3,000,392)	(120,881)		(3,121,273)
	<u>(15,785,697)</u>	<u>(678,178)</u>		<u>(16,463,875)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 12,990,361</u></u>	<u><u>\$ 681,271</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 13,671,632</u></u>

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 271,005			\$ 271,005
Less Accumulated Depreciation	<u>(261,716)</u>	<u>\$ (940)</u>		<u>(262,656)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 9,289</u>	<u>\$ (940)</u>	<u>\$ -0-</u>	<u>\$ 8,349</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 67,818
General Administrative Services	12,226
Operation and Maintenance of Plant	21,179
Student Transportation Services	16,554
Unallocated	<u>560,401</u>
Total	<u>\$ 678,178</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, 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>
Compensated Absences Payable	\$ 304,058	\$ 14,147	\$ 45,675	\$ 272,530
Net Pension Liability	<u>1,552,688</u>	<u>374,399</u>		<u>1,927,087</u>
Total Long Term Liabilities	<u>\$ 1,856,746</u>	<u>\$ 388,546</u>	<u>\$ 45,675</u>	<u>\$ 2,199,617</u>

A. Bonds Authorized But Not Issued:

As of June 30, 2023, the Board had no bonds authorized but not issued.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

B. 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 \$272,530. The General Fund will be used to liquidate Compensated Absences Payable.

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, 2023, no liability existed for compensated absences in the Food Service Fund.

C. 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, 2023 is \$-0- and the long-term portion is \$1,927,087 See Note 9 for further information on the PERS.

NOTE 8. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2023, the District transferred \$6,500 to the Capital Outlay accounts for equipment which did not require County Superintendent approval.

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

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 annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-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. 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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and 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. 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 includes 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.

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

District contributions to PERS amounted to \$152,530 for the current fiscal year. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$4,055 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

At June 30, 2023, the District's liability was \$1,927,087 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.01277%, which was a decrease of 0.00034% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized an actual pension benefit in the amount of \$205,556 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$4,055 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

There was no state proportionate share of net pensions liability attributable to the District as of June 30, 2023.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2018	5.63		\$ 46,323
	2019	5.21		57,889
	2020	5.16		170,224
	2021	5.13		14,125
	2022	5.04	\$ 5,971	
			5,971	288,561
Changes in Proportion	2018	5.63		30,791
	2019	5.21	38,249	
	2020	5.16		16,590
	2021	5.13		65,101
	2022	5.04		51,427
			38,249	163,909
Net Difference Between Projected and Actual	2019	5.00	1,907	
Investment Earnings on Pension Plan Investments	2020	5.00	57,286	
	2021	5.00	(357,315)	
	2022	5.00	377,882	
			79,760	

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

	<u>Deferral Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	2018	5.63		\$ 1,765
	2019	5.21	\$ 4,425	
	2020	5.16	9,484	
	2021	5.13		4,748
	2022	5.04		5,753
			<u>13,909</u>	<u>12,266</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	<u>206,500</u>	
			<u>\$ 344,389</u>	<u>\$ 464,736</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2023	\$ (165,303)
2024	(84,217)
2025	(41,071)
2026	89,601
2027	(197)
	<u>\$ (201,187)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

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, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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 7.00% as of June 30, 2022. 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 and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to 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, 2022 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, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 2,475,742	\$ 1,927,087	\$ 1,460,159

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 annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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. 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.

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. For fiscal year 2022, the State's pension contribution was more 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$2,381,749 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$858,819.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$31,911,167. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.06185%, which was a decrease of 0.00384% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		31,911,167
Total	\$	31,911,167

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$858,819 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(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)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.50		21088845
	2017	8.30	65,502,212	
	2018	8.30	474,592,771	
	2019	8.29		78,198,040
	2020	8.04		5,368,990
	2021	7.99	146,524,969	
	2022	7.93		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			<u>1,172,371,073</u>	
			<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$ (14,678,515,482)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments 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, 2022 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, 2023
(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, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 37,416,522	\$ 31,911,167	\$ 27,273,598

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 \$17,155 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$21,958 for the year ended June 30, 2023.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. RISK MANAGEMENT

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

Property and Liability Insurance

The District maintains commercial insurance coverage for surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive 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 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 Annual Comprehensive 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, 2023 audit was not available as of the date of this report; however, selected, summarized financial information for the Fund as of June 30, 2022 is as follows:

	School Alliance Insurance Fund
Total Assets	\$ 52,198,217
Net Position	\$ 20,990,635
Total Revenue	\$ 46,988,143
Total Expenses	\$ 46,989,023
Change in Net Position	\$ (880)
Member Dividends	\$ -0-

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

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

Health Benefits

The Board is a member of the Schools Health Insurance Fund ("HIF"). The HIF provides its members with Health Benefit coverage. The HIF is a risk-sharing pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the HIF are elected.

As a member of HIF, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of HIF were to be exhausted, members would become responsible for their respective shares of the HIF's liabilities.

HIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The June 30, 2023 audit report is not available as of the date of this report. Selected summarized financial information for HIF as of June 30, 2022 as follows:

	<u>School Health Insurance Fund</u>
Total Assets	<u>\$ 177,555,942</u>
Net Position	<u>\$ 119,187,031</u>
Total Revenue	<u>\$ 432,454,946</u>
Total Expenses	<u>\$ 426,163,433</u>
Change in Net Position	<u>\$ 6,291,513</u>
Member Dividends	<u>\$ -0-</u>

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

PERMA
9 Campus Drive, Suite 216
Parsippany, NJ 07054

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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>
2022-2023	\$ 13	\$ 16,286	\$ 13,673	\$ 132,948
2021-2022	12	15,155		130,322
2020-2021	30	13,587	10,776	115,155

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, 2023
(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, 2023, there were encumbrances as detailed below in the governmental funds:

<u>General Fund</u>	<u>Total Governmental Funds</u>
\$ 159,914	\$ 159,914

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 October 20. 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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 323,351	\$ 2,302
Special Revenue Fund		323,351
Enterprise Fund	2,302	
	<u>\$ 325,653</u>	<u>\$ 325,653</u>

The interfund between the General Fund and the Special Revenue Fund is due to a deficit in cash and cash equivalents in the Special Revenue Fund as well as payments made by the General Fund on behalf of the Student Activities Accounts which were not returned prior to year end. The deficit is due to the timing between expenditure and reimbursement of federal grant funds from the State. The interfund between the General Fund and Enterprise Fund is for subsidy reimbursement funds not turned over by June 30, 2023.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 16. ACCOUNTS PAYABLE

Accounts payable recorded in the District’s Governmental and Business-Type Activities as of June 30, 2023 consisted of the following:

	<u>Governmental Funds</u>		<u>Total 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>				
Vendors	\$ 179,983	\$ 9,668	\$ 189,651		\$ 189,651	\$ 720
Payroll Deductions & Withholdings	2,202		2,202		2,202	
Accrued Salaries and Wages State of New Jersey	167,150		167,150	\$ 206,500	167,150	
	<u>\$ 349,335</u>	<u>\$ 9,668</u>	<u>\$ 359,003</u>	<u>\$ 206,500</u>	<u>\$ 565,503</u>	<u>\$ 720</u>

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

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 Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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 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 annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u><u>364,817</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

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.

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), and “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2021	\$ 37,916,980
Changes for Year:	
Service Cost	1,609,063
Interest on the Total OPEB Liability	843,977
Changes of Assumptions	(8,543,207)
Difference in Expected and Actual Experience	829,215
Gross Benefit Payments by the State	(835,984)
Contributions from Members	26,819
Net Changes in Total OPEB Liability	(6,070,117)
Balance at June 30, 2022	\$ 31,846,863

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (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, 2022, 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, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 37,432,637	\$ 31,846,863	\$ 27,370,144

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, 2022, 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, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 26,323,379	\$ 31,846,863	\$ 39,102,295

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

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$692,494 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.

At June 30, 2022, the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 1,653,523
	2018	9.51		1,577,932
	2019	9.29	\$ 222,781	
	2020	9.24	5,259,937	
	2021	9.24	29,169	
	2022	9.13		7,607,478
				<u>5,511,887</u>
Differences between Expected and Actual Experience	2018	9.51		1,491,636
	2019	9.29		2,622,134
	2020	9.24	4,902,467	
	2021	9.24		5,609,445
	2022	9.13	783,461	
				<u>5,685,928</u>
Changes in Proportion	N/A	N/A	<u>16,745</u>	<u>1,239,130</u>
			<u>\$ 11,214,560</u>	<u>\$ 21,801,278</u>

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
2023	\$ (1,582,803)
2024	(1,582,803)
2025	(1,582,803)
2026	(1,367,939)
2027	(782,205)
Thereafter	<u>(2,465,780)</u>
	<u>\$ (9,364,333)</u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

BYRAM TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICTS PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.0159627975%	0.0147297098%	0.0146588355%	0.0142650013%	0.0130449393%	0.0137720008%	0.0135959650%	0.0131067264%	0.0127694582%
District's proportionate share of the net pension liability	\$ 2,988,672	\$ 3,306,525	\$ 4,341,527	\$ 3,320,664	\$ 2,568,484	\$ 2,481,506	\$ 2,217,146	\$ 1,552,688	\$ 1,927,087
District's covered employee payroll	\$ 630,487	\$ 629,695	\$ 588,369	\$ 967,398	\$ 939,074	\$ 976,702	\$ 933,447	\$ 923,861	\$ 913,198
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	474.03%	525.10%	737.89%	343.26%	273.51%	254.07%	237.52%	168.07%	211.03%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 131,595	\$ 126,636	\$ 140,156	\$ 148,524	\$ 130,328	\$ 134,579	\$ 148,733	\$ 153,495	\$ 161,029
Contributions in relation to the contractually required contribution	(131,595)	(126,636)	(140,156)	(148,524)	(130,328)	(134,579)	(148,733)	(153,495)	(161,029)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 629,695	\$ 588,369	\$ 967,398	\$ 939,074	\$ 976,702	\$ 933,447	\$ 923,861	\$ 913,198	\$ 918,938
Contributions as a percentage of covered employee payroll	20.90%	21.52%	14.49%	15.82%	13.34%	14.42%	16.10%	16.81%	17.52%

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net pension liability attributable to the District	0.0624075042%	0.0646772711%	0.0643216343%	0.0635593330%	0.0662089399%	0.0665541046%	0.0673986827%	0.0656890711%	0.0618500407%
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	\$ 42,120,705	\$ 40,844,882	\$ 44,381,222	\$ 31,580,145	\$ 31,911,167
District's covered employee payroll	\$ 6,371,844	\$ 6,295,209	\$ 6,674,117	\$ 6,749,482	\$ 7,215,219	\$ 7,270,298	\$ 7,070,675	\$ 6,759,038	\$ 6,651,019
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%	583.78%	561.80%	627.68%	467.23%	479.79%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.23%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Contractually required contribution	\$ 1,794,800	\$ 2,496,019	\$ 3,801,848	\$ 2,968,708	\$ 2,455,490	\$ 2,409,140	\$ 2,759,813	\$ 743,095	\$ 858,819	
Contributions in relation to the contractually required contribution	(326,200)	(490,548)	(689,920)	(975,024)	(1,308,959)	(1,478,311)	(1,909,502)	(2,546,153)	(2,381,749)	
Contribution deficiency/(excess)	\$ 1,468,600	\$ 2,005,471	\$ 3,111,928	\$ 1,993,684	\$ 1,146,531	\$ 930,829	\$ 850,311	\$ (1,803,058)	\$ (1,522,930)	
District's covered employee payroll	\$ 6,295,209	\$ 6,674,117	\$ 6,749,482	\$ 7,215,219	\$ 7,270,298	\$ 7,070,675	\$ 6,759,038	\$ 6,651,019	\$ 6,499,501	
Contributions as a percentage of covered employee payroll	28.51%	7.35%	10.22%	13.51%	18.00%	20.91%	28.25%	38.28%	36.65%	

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 RELATED RATIOS
LAST SIX FISCAL YEARS

	Fiscal Year Ending					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 1,479,869	\$ 1,228,873	\$ 1,059,728	\$ 1,154,449	\$ 2,002,217	\$ 1,609,063
Interest Cost	1,111,094	1,285,481	1,193,109	976,221	983,606	843,977
Changes of Benefit Terms					(40,358)	
Changes in Assumptions	(4,638,559)	(3,462,140)	404,151	8,039,850	37,408	(8,543,207)
Difference in Expected and Actual Experience		(3,167,943)	(4,913,519)	7,480,622	(8,330,256)	829,215
Member Contributions	29,906	27,882	24,665	23,225	25,146	26,819
Gross Benefit Payments	(812,166)	(806,731)	(832,070)	(766,248)	(774,806)	(835,984)
Net Change in Total OPEB Liability	(2,829,856)	(4,894,578)	(3,063,936)	16,908,119	(6,097,043)	(6,070,117)
Total OPEB Liability - Beginning	37,894,274	35,064,418	30,169,840	27,105,904	44,014,023	37,916,980
Total OPEB Liability - Ending	<u>\$ 35,064,418</u>	<u>\$ 30,169,840</u>	<u>\$ 27,105,904</u>	<u>\$ 44,014,023</u>	<u>\$ 37,916,980</u>	<u>\$ 31,846,863</u>
District's Covered Employee Payroll *	\$ 7,262,486	\$ 7,716,880	\$ 8,154,293	\$ 8,154,293	\$ 8,154,293	\$ 8,247,000
Total OPEB Liability as a Percentage of Covered Employee Payroll	483%	395%	332%	540%	465%	386%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2022 are based on the payroll on the June 30, 2016 - 2021 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, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEN PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP for thereafter were 1.55% - 4.45% through 2026 and 2.75 – 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 12,205,223		\$ 12,205,223	\$ 12,205,223	
Tuition From Individuals	75,000		75,000	93,000	\$ 18,000
Rents and Royalties	10,000		10,000	5,760	(4,240)
Unrestricted Miscellaneous Revenues	11,500		11,500	174,336	162,836
Other Restricted Miscellaneous Revenues				2,626	2,626
Total Revenues from Local Sources	12,301,723		12,301,723	12,480,945	179,222
Revenues from State Sources:					
School Choice Aid	410,380		410,380	410,380	
Categorical Transportation Aid	232,137		232,137	232,137	
Extraordinary Aid				253,001	253,001
Categorical Special Education Aid	542,873		542,873	542,873	
Equalization Aid	1,158,112		1,158,112	1,158,112	
Categorical Security Aid	70,573		70,573	70,573	
Excess Nonpublic School Transportation Costs				9,360	9,360
Supplemental Stabilization Aid		\$ 16,292	16,292	16,292	
TPAF Post Retirement Contributions (Non-Budgeted)				634,361	634,361
TPAF Pension Contributions (Non-Budgeted)				2,381,749	2,381,749
TPAF Non-Contributory Insurance (Non-Budgeted)				33,044	33,044
TPAF Long-Term Disability Insurance (Non-Budgeted)				764	764
Reimbursed TPAF Social Security Contributions				475,451	475,451
Total Revenues from State Sources	2,414,075	16,292	2,430,367	6,218,097	3,787,730
Revenues from Federal Sources:					
Medicaid Reimbursement				4,285	4,285
Total Revenues from Federal Sources				4,285	4,285
TOTAL REVENUE	14,715,798	16,292	14,732,090	18,703,327	3,971,237

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 294,858	\$ 5,195	\$ 300,053	\$ 300,053	
Grades 1-5 - Salaries of Teachers	1,927,855	81,678	2,009,533	2,009,533	
Grades 6-8 - Salaries of Teachers	1,449,775	1,197	1,450,972	1,450,972	
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	2,795	7,795	7,795	
Purchased Professional-Educational Services	2,000	(1,900)	100	100	
Other Purchased Services (400-500 series)	500	(500)			
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	18,332	(12,190)	6,142	6,142	
Other Purchased Services (400-500 series)	39,000	(7,997)	31,003	31,003	
General Supplies	275,989	(69,144)	206,845	205,925	\$ 920
Total Regular Programs - Instruction	4,013,309	(866)	4,012,443	4,011,523	920
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	140,974	637	141,611	138,454	3,157
Other Salaries for Instruction	19,482	16,038	35,520	35,520	
General Supplies	3,500	(309)	3,191	857	2,334
Total Learning and/or Language Disabilities	163,956	16,366	180,322	174,831	5,491
Resource Room/Resource Center:					
Salaries of Teachers	963,073	(65,399)	897,674	886,316	11,358
Other Salaries for Instruction	128,549	52,892	181,441	181,008	433
General Supplies	7,500		7,500	283	7,217
Total Resource Room/Resource Center	1,099,122	(12,507)	1,086,615	1,067,607	19,008

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Autism:					
Salaries of Teachers	\$ 57,832	\$ 1,640	\$ 59,472	\$ 51,371	\$ 8,101
Other Salaries for Instruction	91,088		91,088	79,292	11,796
Total Autism	<u>148,920</u>	<u>1,640</u>	<u>150,560</u>	<u>130,663</u>	<u>19,897</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	154,124	4,423	158,547	155,747	2,800
Other Salaries for Instruction	87,860	83,583	171,443	168,456	2,987
General Supplies	6,000		6,000	4,302	1,698
Total Preschool Disabilities - Part-Time	<u>247,984</u>	<u>88,006</u>	<u>335,990</u>	<u>328,505</u>	<u>7,485</u>
Home Instruction:					
Salaries of Teachers	1,500		1,500		1,500
Purchased Professional-Educational Services	1,500		1,500	277	1,223
Other Purchased Services (400-500 series)	100		100		100
Total Home Instruction	<u>3,100</u>		<u>3,100</u>	<u>277</u>	<u>2,823</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,663,082</u>	<u>93,505</u>	<u>1,756,587</u>	<u>1,701,883</u>	<u>54,704</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	405,997	43,971	449,968	443,111	6,857
General Supplies	19,614	(14,000)	5,614	205	5,409
Total Basic Skills/Remedial - Instruction	<u>425,611</u>	<u>29,971</u>	<u>455,582</u>	<u>443,316</u>	<u>12,266</u>
School-Sponsored Cocurricular & Extracurricular Activities - Instruction:					
Salaries	54,894	6,429	61,323	51,025	10,298
Purchased Services (300-500 series)	1,000	(750)	250		
Supplies and Materials	2,000	(2,000)			
Total School-Sponsored Cocurricular & Extracurricular Activities - Instruction	<u>57,894</u>	<u>3,679</u>	<u>61,573</u>	<u>51,275</u>	<u>10,298</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Salaries	\$ 24,400	\$ (3,707)	\$ 20,693	\$ 20,693	
Purchased Services (300-500 series)	4,000	(2,010)	1,990	1,990	
Supplies and Materials	2,100	(1,295)	805	805	
Total School-Sponsored Athletics - Instruction	<u>30,500</u>	<u>(7,012)</u>	<u>23,488</u>	<u>23,488</u>	
TOTAL INSTRUCTION	<u>6,190,396</u>	<u>119,277</u>	<u>6,309,673</u>	<u>6,231,485</u>	<u>\$ 78,188</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	190,040	(65,057)	124,983	107,157	17,826
Tuition to Private School for the Handicapped W/I State	180,000	(63,066)	116,934	116,534	400
Tuition - State Facilities	80,540		80,540	40,270	40,270
Total Undistributed Expenditures - Instruction	<u>450,580</u>	<u>(128,123)</u>	<u>322,457</u>	<u>263,961</u>	<u>58,496</u>
Undistributed Expend. - Attendance & Social Work:					
Salaries	15,695	1,199	16,894	16,894	
Purchased Professional and Technical Services	14,800	11,955	26,755	26,755	
Supplies and Materials	1,500		1,500		1,500
Total Undistributed Expenditures - Attendance and Social Work	<u>31,995</u>	<u>13,154</u>	<u>45,149</u>	<u>43,649</u>	<u>1,500</u>
Undistributed Expenditures - Health Services:					
Salaries	159,894	3,200	163,094	158,089	5,005
Purchased Professional and Technical Services	15,500	(3,356)	12,144	3,100	9,044
Supplies and Materials	17,000		17,000	5,043	11,957
Total Undist. Expenditures - Health Services	<u>192,394</u>	<u>(156)</u>	<u>192,238</u>	<u>166,232</u>	<u>26,006</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Speech, OT, PT, Related Services:					
Salaries	\$ 299,782	\$ (263)	\$ 299,519	\$ 299,519	
Purchased Professional - Educational Services	244,375	70,781	315,156	295,031	\$ 20,125
Supplies and Materials	4,000	(2,331)	1,669	1,169	500
Total Undistributed Expenditures - Speech, OT, PT, Related Services	548,157	68,187	616,344	595,719	20,625
Other Support Services Students - Extra Services:					
Salaries	52,125	25,025	77,150	74,109	3,041
Other Support Services Students - Extra Services	52,125	25,025	77,150	74,109	3,041
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	200,976	4,356	205,332	205,332	
Purchased Professional - Educational Services	9,200	313	9,513	9,372	141
Supplies and Materials	16,700		16,700	931	15,769
Total Undistrib Expend. - Guidance	226,876	4,669	231,545	215,635	15,910
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	386,629	(91,300)	295,329	294,954	375
Salaries of Secretarial and Clerical Assistants	33,772	1,955	35,727	35,727	
Purchased Professional - Educational Services	12,500	114,303	126,803	116,621	10,182
Other Purchased Services (400-500 series)	1,000		1,000	617	383
Supplies and Materials	9,250	(5,816)	3,434	3,424	10
Other Objects	500		500	150	350
Total Undistrib Expend. - Child Study Team	443,651	19,142	462,793	451,493	11,300

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	\$ 43,780		\$ 43,780	\$ 42,500	\$ 1,280
Salaries of Other Professional Staff	123,221	(42,371)	80,850	80,850	
Supplies and Materials	19,700	(18,013)	1,687		1,687
Total Undistributed Expenditures - Improvement of Instructional Services	191,701	(60,384)	131,317	127,080	4,237
Undistributed Expenditures - Educational Media Services/School Library:					
Salaries of Technology Coordinators	166,350	(44,778)	121,572	79,220	42,352
Purchased Professional and Technical Services		19,028	19,028	15,001	4,027
Supplies and Materials	28,062		28,062		28,062
Total Undistrib Expend - Educational Media Services/School Library	194,412	(25,750)	168,662	94,221	74,441
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Service	9,000	(515)	8,485		8,485
Other Purchased Services (400-500 series)	28,800	515	29,315	8,472	20,843
Supplies and Materials	1,072		1,072	72	1,000
Total Undistributed Expenditures - Instructional Staff Training Services	38,872		38,872	8,544	30,328
Undistributed Expenditures - Support Services - General Administration:					
Salaries	213,829	2	213,831	213,831	
Legal Services	59,794	1	59,795	22,773	37,022
Audit Fees	28,500	101	28,601	28,600	1
Other Purchased Professional Services	17,500	(99)	17,401	3,176	14,225
Communications / Telephone	36,000	1	36,001	23,092	12,909
BOE Other Purchased Services	6,600		6,600	2,218	4,382
Other Purch. Serv. (400-500 series other than 530 & 585)	61,677		61,677	53,735	7,942
General Supplies	2,975	(2)	2,973	1,077	1,896
BOE In-house training/ Meeting Supplies	1,000		1,000		1,000
Miscellaneous Expenditures	12,750		12,750	4,536	8,214
BOE Membership Dues and Fees	7,300		7,300	7,289	11
Total Undistributed Expenditures - Support Services - General Administration	447,925	4	447,929	360,327	87,602

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 249,556	\$ 7,764	\$ 249,556	\$ 231,348	\$ 18,208
Salaries of Secretarial and Clerical Assistants	153,771		161,535	161,535	
Other Salaries	43,780		43,780	42,500	1,280
Other Purchased Services (400-500 series)	11,500		11,500	2,683	8,817
Supplies and Materials	26,325		26,325	11,091	15,234
Other Objects	12,350		12,350	7,640	4,710
Total Undistributed Expenditures - Support Services - School Administration	497,282	7,764	505,046	456,797	48,249
Undistributed Expenditures - Central Services:					
Salaries	252,777		252,777	246,675	6,102
Unused Vacation Payment to Terminated/Retired Staff		3,060	3,060	3,060	
Purchased Professional Services	34,000		34,000	33,292	708
Purchased Technical Services	7,700		7,700	5,130	2,570
Miscellaneous Purchased Services (400-500 series other than 594)	3,900		3,900	552	3,348
Supplies and Materials	5,950		5,950	935	5,015
Other Objects	1,800		1,800	951	849
Total Undistributed Expenditures - Central Services	306,127	3,060	309,187	287,535	21,652
Undistributed Expenditures - Administrative Information Technology:					
Purchased Technical Services	61,700	9,750	71,450	67,336	4,114
Other Purchased Services (400-500 series)	40,745		40,745	30,665	10,080
Supplies and Materials	47,713	32,292	80,005	75,939	4,066
Total Undistributed Expenditures - Administrative Information Technology	150,158	42,042	192,200	173,940	18,260
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair, and Maintenance Services	166,329		166,329	144,890	21,439
General Supplies	50,000	(20,000)	30,000	18,164	11,836
Other Objects	1,750		1,750	1,750	
Total Undistributed Expenditures - Required Maintenance for School Facilities	218,079	(20,000)	198,079	163,054	35,025

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Custodial Services:					
Salaries	\$ 540,863	\$ (8,392)	\$ 532,471	\$ 528,950	\$ 3,521
Unused Vacation Payment to Terminated/Retired Staff		2,026	2,026		2,026
Purchased Professional and Technical Services	31,380		31,380	19,456	11,924
Cleaning, Repair, and Maintenance Services	107,929	(11,911)	96,018	92,487	3,531
Other Purchased Property Services	50,500		50,500	46,875	3,625
Insurance	159,670	5,738	165,408	163,496	1,912
Miscellaneous Purchased Services	11,100		11,100	4,911	6,189
General Supplies	66,926	(6,298)	60,628	50,102	10,526
Energy (Electricity)	273,273	1,842	275,115	263,666	11,449
Energy (Oil)	250,000	(42,255)	207,745	207,745	
Other Objects	5,049		5,049	4,849	200
Total Undistributed Expenditures - Custodial Services	1,496,690	(59,250)	1,437,440	1,382,537	54,903
Total Undistributed Expenditures - Maintenance of Plant Services	1,714,769	(79,250)	1,635,519	1,545,591	89,928
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportaion (Between Home and School) - Special Education	53,412	(32,066)	21,346	20,873	473
Salaries for Pupil Transportaion (Other than Between Home & School)	6,500	(6,500)			
Cleaning, Repair, and Maintenance Services	15,000	(1,348)	13,652	13,415	237
Contracted Services - Aid in Lieu of Payments - Nonpublic Students	12,000	29,391	41,391	41,391	
Contracted Services (Between Home & School) - Vendors	335,610	285,134	620,744	620,744	
Contracted Services (Other than Between Home & School) - Vendors	5,000	5,000	10,000	6,494	3,506
Contracted Services (Between Home & School) - Joint Agreements	2,100	506	2,606	2,606	
Contracted Services (Regular Students) - ESCs & CTSA's	29,105	(26,045)	3,060	3,057	3
Contracted Services (Special Education Students) - ESCs & CTSA's	231,900	54,384	286,284	286,284	
Miscellaneous Purchased Services - Transportation	6,500	881	7,381	7,381	

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Student Transportation Services					
Transportation Supplies	\$ 7,000	\$ 1,700	\$ 8,700	\$ 7,977	\$ 723
Other Objects	500	1,738	2,238	2,238	
Total Undistributed Expenditures - Student Transportation Services	<u>704,627</u>	<u>312,775</u>	<u>1,017,402</u>	<u>1,012,460</u>	<u>4,942</u>
UNALLOCATED BENEFITS					
Social Security Contributions	165,000	19,028	184,028	184,028	
Other Retirement Contributions - PERS	170,000	(8,971)	161,029	161,029	
Other Retirement Contributions - Regular		27,297	27,297	18,798	8,499
Unemployment Compensation	50,000	(30,000)	20,000		20,000
Workers Compensation	117,150	(18,142)	99,008	99,008	
Health Benefits	2,257,256	(314,820)	1,942,436	1,942,388	48
Tuition Reimbursement	30,000	(29,435)	565	565	565
Other Employee Benefits	227,500	(10,749)	216,751	197,748	19,003
Unused Sick Payment to Terminated/Retired Staff	-	42,548	42,548	42,382	166
TOTAL UNALLOCATED BENEFITS	<u>3,016,906</u>	<u>(323,244)</u>	<u>2,693,662</u>	<u>2,645,381</u>	<u>48,281</u>
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				634,361	(634,361)
TPAF Pension Contributions (Non-Budgeted)				2,381,749	(2,381,749)
TPAF Non-Contributory Insurance (Non-Budgeted)				33,044	(33,044)
TPAF Long-Term Disability Insurance (Non-Budgeted)				764	(764)
Reimbursed TPAF Social Security Contributions				475,451	(475,451)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				<u>3,525,369</u>	<u>(3,525,369)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>3,016,906</u>	<u>(323,244)</u>	<u>2,693,662</u>	<u>6,170,750</u>	<u>(3,477,088)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>9,208,557</u>	<u>(121,085)</u>	<u>9,087,472</u>	<u>12,048,043</u>	<u>(2,960,571)</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL GENERAL CURRENT EXPENSE	\$ 15,398,953	\$ (1,808)	\$ 15,397,145	\$ 18,279,528	\$ (2,882,383)
CAPITAL OUTLAY					
Equipment:					
Administrative Information Technology	144,979	(144,979)			
Undist. Expend. - Required Maint for School Facilities		151,479	151,479	151,479	
Student Transportation - Non-Instruction		186,155	186,155	186,155	
School Buses - Regular	186,155	(186,155)			
Total Equipment	331,134	6,500	337,634	337,634	
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	192,500	(6,500)	186,000	60,800	125,200
Construction Services	2,284,238		2,284,238	918,692	1,365,546
Assessment for Debt Service on SDA Funding	61,496		61,496	61,496	
Total Facilities Acquisition and Construction Services	2,538,234	(6,500)	2,531,734	1,040,988	1,490,746
TOTAL CAPITAL OUTLAY	2,869,368		2,869,368	1,378,622	1,490,746
Transfer of Funds to Charter Schools	113,182	18,100	131,282	131,282	
TOTAL EXPENDITURES	18,381,503	16,292	18,397,795	19,789,432	(1,391,637)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(3,665,705)		(3,665,705)	(1,086,105)	2,579,600

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ (3,665,705)		\$ (3,665,705)	\$ (1,086,105)	\$ 2,579,600
Fund Balance, July 1	6,716,374		6,716,374	6,716,374	
Fund Balance, June 30	\$ 3,050,669	\$ -0-	\$ 3,050,669	\$ 5,630,269	\$ 2,579,600
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2024-2025				\$ 500,000	
Excess Surplus - Restricted For 2023-2024				500,000	
Capital Reserve				2,001,610	
Maintenance Reserve				765,155	
Unemployment Compensation				132,948	
Assigned Fund Balance:					
Year End Encumbrances				159,914	
Designated for Subsequent Year's Expenditures				983,000	
Unassigned Fund Balance				587,642	
				5,630,269	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(231,231)	
Fund Balance per Governmental Funds (GAAP)				\$ 5,399,038	

BYRAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 116,405	\$ 116,405	\$ 116,405	
State Sources		36,233	36,233	36,233	
Federal Sources	\$ 216,300	634,415	850,715	524,543	\$ (326,172)
Total Revenues	216,300	787,053	1,003,353	677,181	(326,172)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	42,300	88,926	131,226	76,587	54,639
Other Purchased Services	164,000	(145,214)	18,786	18,786	
Tuition		186,426	186,426	186,426	
General Supplies		162,159	162,159	71,186	90,973
Total Instruction	206,300	292,297	498,597	352,985	145,612
Support Services:					
Purchased Professional and Technical Services		261,191	261,191	88,899	172,292
Other Purchased Professional Services	10,000	(4,874)	5,126	251	4,875
Other Purchased Services		29,580	29,580	29,487	93
Travel		5,921	5,921	5,921	
Supplies and Materials		2,000	2,000	2,000	
Student Activities		75,642	75,642	75,642	
Total Support Services	10,000	369,460	379,460	202,200	177,260
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment		45,000	45,000	45,000	
Construction Services		39,533	39,533	36,233	3,300
Total Facilities Acquisition and Construction Services		84,533	84,533	81,233	3,300
Total Expenditures	\$ 216,300	\$ 746,290	\$ 962,590	\$ 636,418	\$ 326,172
Excess of Revenue Over Expenditures	\$ -0-	\$ 40,763	\$ 40,763	\$ 40,763	\$ -0-

BYRAM TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" and Other Financing Sources from the Budgetary Comparison Schedule	\$ 18,703,327	\$ 677,181
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not:		
Prior Year Encumbrances		9,275
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	265,865	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(231,231)	
	\$ 18,737,961	\$ 686,456
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds		
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 19,789,432	\$ 636,418
Differences - Budgetary 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		9,275
	\$ 19,789,432	\$ 645,693
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		

Annual appropriated budgets are prepared in the spring of each year for the general, and special revenue. The budget for the fiscal year ended June 30, 2023 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)1. 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).

BYRAM TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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 except for student activities. 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 the 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 on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

BYRAM TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	SDA		Elementary and Secondary Education Act	
	Emergent and Capital Maintenance Needs	I.D.E.A. Part B	Title IA	Title IV
	Basic	Preschool	Title II - Part A	Title IV
REVENUES:				
Local Sources	\$ 36,233			
State Sources		\$ 11,246	\$ 52,867	\$ 18,241
Federal Sources		11,246	24,271	18,241
Total Revenues	\$ 36,233	186,426	52,867	18,241
EXPENDITURES:				
Instruction:				
Salaries of Teachers			52,867	
Other Purchased Services				
Tuition		186,426		
General Supplies				
Total Instruction		186,426	52,867	
Support Services:				
Purchased Professional and Technical Services			18,350	
Other Purchased Professional Services				
Cleaning, Repair and Maintenance Services				
Other Purchased Services		11,246		18,241
Travel			5,921	
Supplies and Materials				
Student Activities				
Total Support Services		11,246	24,271	18,241
Facilities Acquisition and Construction Services:				
Non-Instructional Equipment	36,233			
Construction Services	36,233			
Total Facilities Acquisition and Construction Services	\$ 36,233	\$ 11,246	\$ 52,867	\$ 18,241
Total Expenditures	\$ 36,233	\$ 186,426	\$ 24,271	\$ 18,241

BYRAM TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	COVID 19 - CRRSA		COVID 19 - American Recovery Plan				
	ESSER II	Learning Acceleration	Mental Health	ESSER III	Summer Learning and Enrichment	Comprehensive Beyond the School Day	Mental Health
REVENUES:							
Local Sources							
State Sources							
Federal Sources	\$ 15,637	\$ 1,390	\$ 8,200	\$ 144,255	\$ 19,770	\$ 2,840	\$ 39,400
Total Revenues	<u>15,637</u>	<u>1,390</u>	<u>8,200</u>	<u>144,255</u>	<u>19,770</u>	<u>2,840</u>	<u>39,400</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers		1,110			19,770	2,840	
Other Purchased Services				18,786			
Tuition		280		70,906			
General Supplies							
Total Instruction		<u>1,390</u>		<u>89,692</u>	<u>19,770</u>	<u>2,840</u>	
Support Services:							
Purchased Professional and Technical Services	15,637		6,200	9,312			39,400
Other Purchased Professional Services				251			
Cleaning, Repair and Maintenance Services							
Other Purchased Services							
Travel							
Supplies and Materials			2,000				
Student Activities							
Total Support Services	<u>15,637</u>		<u>8,200</u>	<u>9,563</u>			<u>39,400</u>
Facilities Acquisition and Construction Services:							
Non-Instructional Equipment				45,000			
Construction Services				45,000			
Total Facilities Acquisition and Construction Services				<u>90,000</u>			
Total Expenditures	<u>\$ 15,637</u>	<u>\$ 1,390</u>	<u>\$ 8,200</u>	<u>\$ 144,255</u>	<u>\$ 19,770</u>	<u>\$ 2,840</u>	<u>\$ 39,400</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Student Activities	Totals
REVENUES:		
Local Sources	\$ 116,405	\$ 116,405
State Sources		36,233
Federal Sources		524,543
Total Revenues	<u>116,405</u>	<u>677,181</u>
EXPENDITURES:		
Instruction:		
Salaries of Teachers		76,587
Other Purchased Services		18,786
Tuition		186,426
General Supplies		71,186
Total Instruction		<u>352,985</u>
Support Services:		
Purchased Professional and Technical Services		88,899
Other Purchased Professional Services		251
Other Purchased Services		29,487
Travel		5,921
Supplies and Materials		2,000
Student Activities	75,642	75,642
Total Support Services	<u>75,642</u>	<u>202,200</u>
Facilities Acquisition and Construction Services:		
Non-Instructional Equipment		45,000
Construction Services		36,233
Total Facilities Acquisition and Construction Services		<u>81,233</u>
Total Expenditures	<u>\$ 75,642</u>	<u>\$ 636,418</u>

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

BYRAM TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 189,011
Interfund Receivable - General Fund	2,302
Intergovernmental Accounts Receivable:	
State	288
Federal	5,044
Inventories	7,387

Total Current Assets	<u>204,032</u>
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Non-Current Assets:

Capital Assets	271,005
Less: Accumulated Depreciation	<u>(262,656)</u>

Total Non-Current Assets	<u>8,349</u>
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Total Assets	<u>212,381</u>
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LIABILITIES:

Current Liabilities:

Accounts Payable	720
Unearned Revenue:	
Supply Chain Assistance (SCA) Funding	28,226
Prepaid Meals	8,195
Donated Commodities	1,227

Total Liabilities	<u>38,368</u>
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NET POSITION:

Investment in Capital Assets	8,349
Unrestricted	<u>165,664</u>

Total Net Position	<u><u>\$ 174,013</u></u>
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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, 2023

Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 217,147
Non-Reimbursable Programs	2,037
	<hr/>
Total Operating Revenue	219,184
	<hr/>
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	118,786
Non-Reimbursable Programs	71
Salaries	83,080
Benefits and Payroll Taxes	25,572
Supplies, Insurance and Other Costs	45,056
Management Fee	8,840
Depreciation Expense	940
	<hr/>
Total Operating Expenses	282,345
	<hr/>
Operating Loss	(63,161)
Non-Operating Income:	
Local Sources:	
Interest Income	156
State Sources:	
State School Lunch Program	3,838
Federal Sources:	
National School Lunch Program	66,153
Supply Chain Assistance (SCA) Funding	22,851
Food Distribution Program	17,590
	<hr/>
Total Non-Operating Income	110,588
	<hr/>
Change in Net Position	47,427
Net Position - Beginning of Year	126,586
	<hr/>
Net Position - End of Year	\$ 174,013
	<hr/> <hr/>

BYRAM TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 216,846
Payments to Food Service Contractor	(224,733)
Payments to Suppliers	(39,604)
	<hr/>
Net Cash (Used for) Operating Activities	(47,491)
	<hr/>
Cash Flows from Investing Activities:	
Interest Income	156
	<hr/>
Net Cash Provided by Investing Activities	156
	<hr/>
Cash Flows from Noncapital Financing Activities:	
Interfund Returned - General Fund	628
State Sources	4,329
Federal Sources	146,021
	<hr/>
Net Cash Provided by Noncapital Financing Activities	150,978
	<hr/>
Net Increase in Cash and Cash Equivalents	103,643
Cash and Cash Equivalents, July 1	87,670
	<hr/>
Cash and Cash Equivalents, June 30	\$ 191,313
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (63,161)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	940
Food Distribution Program	17,590
Changes in Assets and Liabilities:	
(Decrease) in Unearned Revenue - Prepaid Meals	(2,338)
Increase in Unearned Revenue - Donated Commodities	722
Increase in Accounts Payable	720
(Increase) in Inventory	(1,964)
	<hr/>
Net Cash Used for Operating Activities	\$ (47,491)
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$18,312 and utilized U.S.D.A. Commodities valued at \$17,590.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES
(NOT APPLICABLE)

STATISTICAL SECTION
(UNAUDITED)

This part of the District’s annual comprehensive 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

	<u>Exhibit</u>
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 annual comprehensive financial report for the relevant year.

BYRAM TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT,
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 9,504,913	\$ 11,087,275	\$ 11,239,559	\$ 11,682,608	\$ 11,741,967	\$ 12,658,998	\$ 12,809,219	\$ 13,011,068	\$ 12,990,361	\$ 13,671,632
Restricted	2,153,062	2,073,214	2,423,558	2,988,124	2,925,316	3,803,409	4,696,221	5,370,575	3,949,324	3,977,788
Unrestricted/(Deficit)	(393,319)	(3,109,669)	(2,924,110)	(3,399,613)	(2,688,804)	(3,392,066)	(2,918,884)	(2,547,549)	(386,080)	(1,027,139)
Total Governmental Activities Net Position	\$ 11,264,656	\$ 10,050,820	\$ 10,739,007	\$ 11,271,119	\$ 11,978,479	\$ 13,070,341	\$ 14,586,556	\$ 15,834,094	\$ 16,553,605	\$ 16,622,281
Business-Type Activities										
Investment in Capital Assets	\$ 64,061	\$ 46,811	\$ 36,093	\$ 19,477	\$ 16,155	\$ 12,107	\$ 11,168	\$ 10,229	\$ 9,289	\$ 8,349
Unrestricted	22,935	33,051	33,293	24,460	20,584	14,861	11,231	21,001	117,297	165,664
Total Business-Type Activities Net Position	\$ 86,996	\$ 79,862	\$ 69,386	\$ 43,937	\$ 36,739	\$ 26,968	\$ 22,399	\$ 31,230	\$ 126,586	\$ 174,013
District-Wide										
Net Investment in Capital Assets	\$ 9,568,974	\$ 11,134,086	\$ 11,275,652	\$ 11,702,085	\$ 11,758,122	\$ 12,671,105	\$ 12,820,387	\$ 13,021,297	\$ 12,999,650	\$ 13,679,981
Restricted	2,153,062	2,073,214	2,423,558	2,988,124	2,925,316	3,803,409	4,696,221	5,370,575	3,949,324	3,977,788
Unrestricted/(Deficit)	(370,384)	(3,076,618)	(2,890,817)	(3,375,153)	(2,668,220)	(3,377,205)	(2,907,653)	(2,526,548)	(268,783)	(861,475)
Total District Net Position	\$ 11,351,652	\$ 10,130,682	\$ 10,808,393	\$ 11,315,056	\$ 12,015,218	\$ 13,097,309	\$ 14,608,955	\$ 15,865,324	\$ 16,680,191	\$ 16,796,294

BYRAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities:										
Instruction										
Regular	\$ 6,183,245	\$ 6,239,377	\$ 5,785,991	\$ 8,174,622	\$ 8,522,315	\$ 7,801,232	\$ 6,726,701	\$ 7,015,006	\$ 6,880,250	\$ 6,548,259
Special Education	1,505,619	1,711,440	1,976,884	3,228,163	3,367,044	3,022,490	3,142,530	3,147,258	2,683,176	2,703,432
Other Special Education	236,321	192,633	280,706	293,379	408,542	431,825	531,764	534,753	666,489	695,429
School-Sponsored/Other Instruction	83,915	79,035	83,513	317,400	421,143	355,795	118,822	57,488	132,167	116,365
Support Services:										
Tuition	334,507	222,985	371,016	326,902	190,843	306,449	372,625	428,778	372,422	263,961
Student & Instruction Related Services	1,945,906	1,986,770	2,265,456	3,027,172	3,162,002	3,119,494	2,889,508	2,736,018	2,487,250	2,370,758
General Administrative Services	394,719	461,674	478,373	809,082	570,613	772,430	456,040	475,450	580,953	488,151
School Administrative Services	569,067	635,189	604,541	558,274	845,073	510,551	754,476	740,310	680,382	691,544
Central Services	507,898	497,126	449,425	447,985	441,440	420,389	379,789	366,447	406,806	393,469
Administrative Information Technology				73,573	77,262	27,327	87,424	119,516	87,449	173,940
Plant Operations And Maintenance	1,388,233	1,270,621	1,347,036	1,529,067	1,659,664	1,619,645	1,405,779	1,491,877	1,496,752	1,710,634
Pupil Transportation	770,239	539,641	607,539	618,872	576,791	587,609	604,021	606,927	754,162	1,043,319
Unallocated Benefits	1,170,353	2,797,428	3,565,949					1,306		
Charter Schools	94,450	81,238	136,291	116,831	135,678	204,175	172,784	165,972	91,724	131,282
Capital Outlay	1,255	37,734	19,526	69,850	112,973	63,819	61,496	61,496		
Interest On Long-Term Debt	211,729	221,438	43,909	56,306	44,717	33,047	19,952	9,488		
Unallocated Depreciation	577,519	723,359	800,474	808,665	421,431	371,052	592,891	568,886	575,172	560,401
Total Governmental Activities Expenses	15,974,975	17,697,688	18,816,629	20,456,143	20,957,531	19,647,329	18,316,602	18,526,976	17,895,154	17,890,944
Business-Type Activities:										
Food Service	246,141	234,569	222,962	248,444	241,807	234,438	168,305	78,589	286,937	282,345
Total Business-Type Activities Expense	246,141	234,569	222,962	248,444	241,807	234,438	168,305	78,589	286,937	282,345
Total District Expenses	\$ 16,221,116	\$ 17,932,257	\$ 19,039,590	\$ 20,704,587	\$ 21,199,338	\$ 19,881,767	\$ 18,484,907	\$ 18,605,565	\$ 18,182,091	\$ 18,173,289
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction	\$ 13,744	\$ 12,125	\$ 13,000	\$ 83,512	\$ 34,500	\$ 42,000	\$ 42,488	\$ 18,225	\$ 60,050	\$ 93,000
Tuition										
Student & Instruction Related Services										
Operating Grants and Contributions	258,293	248,799	264,247	6,123,576	6,820,704	5,464,744	5,002,146	3,742	30,780	116,405
Capital Grants and Contributions				(39,618)		46,459		5,573,670	4,536,675	3,685,801
Total Governmental Activities Program Revenues	272,037	260,924	277,247	6,167,470	6,855,204	5,506,744	5,091,093	5,595,637	4,627,505	3,895,206

BYRAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(ACCURAL BASIS OF ACCOUNTING)
UNAUDITED
(Continued)

	For Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues										
Business-Type Activities:										
Charges for Services										
Food Service	\$ 168,230	\$ 174,600	\$ 164,273	\$ 165,243	\$ 166,233	\$ 169,027	\$ 113,357	\$ 639	\$ 381,972	\$ 219,184
Operating Grants and Contributions	71,478	52,832	48,209	55,307	58,586	56,524	50,128	86,777		110,432
Total Business Type Activities Program Revenues	239,708	227,432	212,482	220,550	224,819	225,551	163,485	87,416	381,972	329,616
Total District Program Revenues	\$ 511,745	\$ 488,356	\$ 489,729	\$ 6,388,020	\$ 7,080,023	\$ 5,732,295	\$ 5,254,578	\$ 5,683,053	\$ 5,009,477	\$ 4,224,822
Net (Expense)/Revenue										
Governmental Activities	\$ (17,425,651)	\$ (18,555,705)	\$ (18,539,381)	\$ (14,288,673)	\$ (14,102,327)	\$ (14,140,585)	\$ (13,225,509)	\$ (12,931,339)	\$ (13,267,649)	\$ (13,995,738)
Business-Type Activities	5,139	4,470	(10,480)	(27,894)	(16,988)	(8,887)	(4,820)	8,827	95,035	47,271
Total District-Wide Net Expense	\$ (17,420,512)	\$ (18,551,235)	\$ (18,549,861)	\$ (14,316,567)	\$ (14,119,315)	\$ (14,149,472)	\$ (13,230,329)	\$ (12,922,512)	\$ (13,172,614)	\$ (13,948,467)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 10,548,406	\$ 10,689,890	\$ 10,903,688	\$ 11,067,244	\$ 11,067,244	\$ 11,288,589	\$ 11,288,589	\$ 11,288,589	\$ 11,965,905	\$ 12,205,223
Taxes Levied for Debt Service	814,394	772,150	776,050	705,767	743,334	741,221	744,482	752,440		
Tuition Charges		14,741	2,016							
Unrestricted Grants and Contributions	4,695,256	6,613,084	7,508,589	2,933,786						
Federal and State Aid not Restricted			46,080		2,943,550	3,016,162	2,346,944	1,948,189	1,978,776	1,676,469
Investment Earnings	1,753	1,401								
Capital Outlay Facilities Grant		350,884								
Extraordinary Items			(95,000)							
Miscellaneous Income	47,116	160,322	86,145	115,419	65,345	186,475	214,112	189,659	39,979	182,722
Cancellation on Prior Year Accounts Payable				(1,431)					2,500	
Transfers					(9,786)					
Total Governmental Activities	16,106,925	18,602,473	19,227,568	14,820,785	14,809,687	15,232,447	14,594,127	14,178,877	13,987,160	14,064,414
Business-Type Activities:										
Investment Earnings	4	3	3	5	4	355	251	4	321	156
Transfers					2,441	(1,239)				
Total Business-Type Activities	4	3	3	5	2,445	(884)	251	4	321	156
Total District-Wide	\$ 16,106,929	\$ 18,602,476	\$ 19,227,571	\$ 14,820,790	\$ 14,812,132	\$ 15,231,563	\$ 14,594,378	\$ 14,178,881	\$ 13,987,481	\$ 14,064,570
Change in Net Position:										
Governmental Activities	\$ (1,318,726)	\$ 46,768	\$ 688,187	\$ 532,112	\$ 707,360	\$ 1,091,862	\$ 1,368,618	\$ 1,247,538	\$ 719,511	\$ 68,676
Business-Type Activities	5,143	4,473	(10,477)	(27,889)	(14,543)	(9,771)	(4,569)	8,831	95,356	47,427
Total District	\$ (1,313,584)	\$ 51,241	\$ 677,710	\$ 504,223	\$ 692,817	\$ 1,082,091	\$ 1,364,049	\$ 1,256,369	\$ 814,867	\$ 116,103

Source: School District Financial Reports

BYRAM TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Restricted	\$ 1,303,042	\$ 2,005,672	\$ 2,321,757	\$ 2,987,756	\$ 2,924,756	\$ 3,803,151	\$ 4,548,427	\$ 5,338,859	\$ 3,912,012	\$ 3,899,713
Assigned	315,719	383,709	465,252	176,686	978,954	87,086	579,599	302,261	2,016,455	1,142,914
Unassigned	39,217	(10,616)	27,133	13,839		100,533	56,557	452,193	522,042	356,411
Total General Fund	\$ 1,657,978	\$ 2,378,765	\$ 2,814,142	\$ 3,178,281	\$ 3,903,710	\$ 3,990,770	\$ 5,184,583	\$ 6,093,313	\$ 6,450,509	\$ 5,399,038
All Other Governmental Funds:										
Restricted				\$ 368	\$ 560	\$ 258	\$ 35,680	\$ 31,716	\$ 37,312	\$ 78,075
Committed				26,492			46,459			
Unassigned	\$ 593,868	\$ 67,542	\$ 101,801							
Total All Other Governmental Funds	\$ 593,868	\$ 37,237	\$ 43,967	\$ 26,860	\$ 560	\$ 258	\$ 35,680	\$ 31,716	\$ 37,312	\$ 78,075
Total All Funds:										
Restricted	\$ 1,303,042	\$ 2,005,672	\$ 2,321,757	\$ 2,988,124	\$ 2,925,316	\$ 3,803,409	\$ 4,584,107	\$ 5,370,575	\$ 3,949,324	\$ 3,977,788
Committed				26,492			46,459	46,459		
Assigned	315,719	383,709	465,252	176,686	978,954	87,086	579,599	302,261	2,016,455	1,142,914
Unassigned	633,085	56,926	128,934	13,839		100,533	56,557	452,193	522,042	356,411
Total All Governmental Funds	\$ 2,251,846	\$ 2,446,307	\$ 2,915,943	\$ 3,205,141	\$ 3,904,270	\$ 3,991,028	\$ 5,266,722	\$ 6,171,488	\$ 6,487,821	\$ 5,477,113

BYRAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	For Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 11,362,800	\$ 11,462,040	\$ 11,679,738	\$ 11,773,011	\$ 11,810,578	\$ 12,029,810	\$ 12,033,071	\$ 12,041,029	\$ 11,965,905	\$ 12,205,223
Tuition Charges		14,741	46,080	83,512	34,500	42,000	42,488	18,225	60,050	93,000
Rents and Royalties									1,575	5,760
Interest Earnings						45,592	29,490			
Other Restricted Miscellaneous Revenue								6,583	45,947	119,031
Unrestricted Miscellaneous Revenue	63,063	184,048	101,161	115,419	72,813	150,423	191,074	186,818	23,237	174,336
State Sources	4,706,133	5,518,837	5,527,554	5,672,309	6,046,999	6,370,510	6,208,968	6,327,515	6,670,301	6,288,964
Federal Sources	246,965	238,599	264,247	258,501	264,213	241,314	250,234	315,987	460,862	538,103
Total Revenue	16,378,961	17,418,265	17,618,780	17,902,752	18,229,103	18,879,649	18,755,325	18,896,157	19,227,877	19,424,417
Expenditures										
Instruction										
Regular Instruction	4,948,303	5,068,702	4,519,552	4,429,856	4,280,074	4,216,283	3,915,168	4,014,517	4,055,025	4,347,489
Special Education Instruction	1,175,823	1,332,629	1,505,523	1,812,234	1,834,549	1,781,542	1,887,239	1,830,609	1,670,566	1,899,735
Other Special Instruction	184,409	149,859	213,424	298,442	405,371	423,067	386,484	386,720	389,929	443,316
School Sponsored Activities and Athletics	65,997	62,180	64,523	26,127	20,832	23,528	69,694	31,854	71,310	74,763
Support Services:										
Tuition	334,506	222,985	371,016	326,902	190,843	306,449	372,625	428,778	372,422	263,961
Student & Instruction Related Services	1,563,752	1,617,243	1,867,892	1,805,112	1,893,465	1,953,598	1,794,550	1,659,709	1,891,299	1,852,324
General Administration Services	323,134	380,074	369,042	359,989	368,246	343,999	369,561	393,772	424,427	360,327
School Administration Services	444,061	494,146	459,591	452,571	467,300	463,027	451,966	414,646	453,648	456,797
Central Services	238,109	241,647	250,309	267,624	253,000	264,715	285,800	278,126	287,346	287,535
Administrative Information Technology	211,240	196,799	131,299	73,573	67,551	88,092	87,424	119,516	87,449	173,940
Plant Operations And Maintenance	1,267,319	1,149,951	1,216,595	1,180,966	1,240,168	1,314,454	1,179,241	1,282,449	1,333,055	1,545,591
Pupil Transportation	767,252	528,248	591,939	587,470	531,654	558,325	568,743	575,544	696,654	1,012,460
Unallocated Benefits	3,589,091	3,738,218	4,237,738	4,495,998	4,849,905	5,194,041	5,134,651	5,435,360	6,195,820	6,170,750
Capital Outlay	456,835	1,187,834	472,619	638,769	238,410	916,073	206,755	221,726	893,370	1,414,855
Transfer of Funds to Charter School	94,450	81,238	136,291	116,831	135,678	204,175	172,784	165,972	91,724	131,282
Debt Service:										
Principal	604,420	580,000	630,000	680,000	695,000	705,000	720,000	740,000		
Interest And Other Charges	220,851	192,150	111,791	59,658	48,142	36,523	24,543	12,093		
Total Expenditures	16,489,552	17,223,903	17,149,144	17,612,122	17,520,188	18,792,891	17,627,228	17,991,391	18,914,044	20,435,125
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	(110,591)	194,362	469,636	290,630	708,915	86,758	1,128,097	904,766	313,833	(1,010,708)

BYRAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	For Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2020	2022	2023
Other Financing Sources/(Uses)										
Capital Leases (Non-Budgeted)										
Cancellation of Prior Year Accounts Receivable				\$ (1,431)					\$ 2,500	
Cancellation of Prior Year Accounts Payable										
Transfers In	\$ 593,868				\$ (9,786)					
Transfers Out	(593,868)									
Total Other Financing Sources/(Uses)				(1,431)	(9,786)				2,500	
Net Change In Fund Balances	\$ (110,591)	\$ 194,362	\$ 469,636	\$ 289,199	\$ 699,129	\$ 86,758	\$ 1,128,097	\$ 904,766	\$ 316,333	\$ (1,010,708)
Debt Service As A Percentage Of Noncapital Expenditures	5.15%	4.82%	4.45%	4.36%	4.30%	4.15%	4.27%	4.23%	0.00%	0.00%

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	Sale of Assets	Miscellaneous	Total
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		87,142	206,431
2018	8,562	34,500	12,206	16,348			28,229	99,845
2019	45,592	42,000		14,938			125,945	228,475
2020	40,139	42,488		11,050			162,923	256,600
2021	4,668	18,225					184,991	207,884
2022	746	60,050		1,575			37,658	100,029
2023	657	93,000		5,760		\$ 157,500	18,805	275,722

Source: Byram Township School District Financial Reports.

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

Year Ended Dec. 31	Vacant Land	Residential	Farm Regular	Commercial	Industrial	Apartment	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Assessed Value	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
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		924,685,300	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		925,777,000	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
2019	15,425,100	812,944,700	17,117,300	77,727,200	1,881,100	1,115,600		926,211,000	68,777,800	926,211,000	1.27	997,309,619
2020	15,071,800	811,597,100	17,787,400	77,217,100	1,881,100	1,115,600		924,670,100	69,840,700	924,670,100	1.33	994,155,430
2021	13,885,200	812,529,900	18,337,000	78,259,600	1,881,100	1,115,600		926,008,400	70,920,500	926,008,400	1.29	1,017,984,533
2022	13,919,000	812,535,100	19,066,300	78,259,600	1,881,100	1,115,600		926,776,700	71,943,600	926,776,700	1.32	1,090,905,865

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

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

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

Source: Byram Township Tax Assessor.

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

Year Ended December 31,	Direct SchoolRate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic School Rate ^a	School Debt Service ^b	Total Direct School Rate	Municipality	County	Regional High School	
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
2019	1.191	0.079	1.270	0.934	0.624	0.718	3.546
2020	1.245	0.081	1.327	0.945	0.627	0.674	3.573
2021	1.292		1.292	0.952	0.643	0.709	3.596
2022	1.317		1.317	0.964	0.662	0.717	3.660

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

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

^b Rates for debt service are based on each year's requirements.

Source: Byram Township Tax Collector and School Business Administrator.

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

	2022		2013		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Gordon Byram Associates, LLC	\$ 16,662,300	1.80%	Gordon Byram Associates, LLC	\$ 18,586,900	2.00%
Tilcon New York, Inc.	5,109,400	0.55%	Byram Land Development LLC	5,043,700	0.54%
YK Realty Co, LLC	4,233,500	0.46%	Byram Self Storage, LLC	4,250,000	0.46%
Byram Self Storage, LLC	3,900,000	0.42%	Tozzo, Domenick C/O Lynnes Nissan	2,875,000	0.31%
Quickcheck Corporation	3,187,400	0.34%	Panther Lake Camping Resort, Inc.	2,717,300	0.29%
PSD Automotive Group	2,875,000	0.31%	206 Acorn Development Corp.	2,296,600	0.25%
Panther Lake Camping Resort	2,715,700	0.29%	Lake Lackawanna Invest. Corp	1,970,500	0.21%
206 Acorn Development Corp.	1,951,400	0.21%	Individual Taxpayer #1	1,688,300	0.18%
Individual Taxpayer #1	1,723,900	0.19%	SC Realty LLC	1,549,500	0.17%
55 Lake Lackawanna Development, LLC	1,700,000	0.18%	BJV & P Inc	1,502,500	0.16%
	<u>\$ 44,058,600</u>	<u>4.74%</u>		<u>\$ 42,480,300</u>	<u>4.57%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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 -
2020	12,033,071	12,033,071	100.00%	- 0 -
2021	12,041,029	12,041,029	100.00%	- 0 -
2022	11,965,905	11,965,905	100.00%	- 0 -
2023	12,205,223	12,205,223	100.00%	- 0 -

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Retirement Incentive Plan Payable	Financed Purchases	Loans Payable			
2014	\$ 4,655,000	\$ 147,352	\$ 34,473	\$ -	\$ 4,836,825	1.10%	\$ 593.48
2015	5,075,000	130,964	19,056	- 0 -	4,225,020	0.94%	524.20
2016	3,540,000	113,224	2,795	- 0 -	3,656,019	0.80%	457.46
2017	2,860,000	94,020	- 0 -	- 0 -	2,954,020	0.63%	370.46
2018	2,165,000	73,232	- 0 -	- 0 -	2,238,232	0.50%	280.37
2019	1,460,000	50,729	- 0 -	- 0 -	1,510,729	0.30%	190.15
2020	740,000	26,369	- 0 -	- 0 -	766,369	0.14%	97.13
2021	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	0.00%	- 0 -
2022	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	0.00%	- 0 -
2023	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	0.00%	- 0 -

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

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

Source: Byram Township School District Financial Reports.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 5,205,000	\$ -0-	\$ 5,205,000	0.56%	\$ 632.90
2015	4,655,000	- 0 -	4,655,000	0.50%	571.17
2016	4,075,000	- 0 -	4,075,000	0.44%	505.58
2017	3,540,000	- 0 -	3,540,000	0.38%	442.94
2018	2,860,000	- 0 -	2,860,000	0.31%	358.67
2019	1,460,000	- 0 -	1,460,000	0.16%	183.60
2020	740,000	- 0 -	740,000	0.08%	93.14
2021	- 0 -	- 0 -	- 0 -	0.00%	- 0 -
2022	- 0 -	- 0 -	- 0 -	0.00%	- 0 -
2023	- 0 -	- 0 -	- 0 -	0.00%	- 0 -

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

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

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

Source: Byram Township School District Financial Reports.

BYRAM TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
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	\$ 1,589,712	100%	\$ 1,589,712
Sussex County General Obligation Debt	95,444,925	5.713%	<u>5,453,244</u>
Subtotal, Overlapping Debt as of December 31, 2021			7,042,956
Byram Township School District Direct Debt			<u>- 0 -</u>
Total Direct And Overlapping Debt			<u><u>\$ 7,042,956</u></u>

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

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

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

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 31,046,876	\$ 29,599,980	\$ 29,151,468	\$ 28,984,514	\$ 29,257,890	\$ 29,514,722	\$ 29,807,516	\$ 30,055,125	\$ 30,994,563	\$ 32,882,231
Total Net Debt Applicable to Limit	4,655,000	4,075,000	3,540,000	2,860,000	2,165,000	1,460,000	740,000	- 0 -	- 0 -	- 0 -
Legal Debt Margin	\$ 26,391,876	\$ 25,524,980	\$ 25,611,468	\$ 26,124,514	\$ 27,092,890	\$ 27,797,890	\$ 29,067,516	\$ 30,055,125	\$ 30,994,563	\$ 32,882,231
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	14.99%	13.77%	12.14%	9.87%	7.40%	4.95%	2.48%	0.00%	0.00%	0.00%
	Legal Debt Margin Calculation for Fiscal Year 2023									
									Year	Equalized Valuation Basis
									2020	\$ 1,015,562,987
									2021	1,089,037,281
									2022	1,183,622,861
										\$ 3,288,223,129
										Average Equalized Valuation of Taxable Property
										\$ 1,096,074,376
										Debt Limit (3% of average equalization value) ^a
										\$ 32,882,231
										Net Bonded School Debt as of June 30, 2023
										- 0 -
										Legal Debt Margin
										\$ 32,882,231

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

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

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

Year	Population ^a	Per Capita Personal Income ^b	Personal Income ^c	Unemployment Rate ^d
2014	8,150	\$ 54,116	\$ 441,045,400	5.70%
2015	8,060	55,722	449,119,320	5.10%
2016	7,992	57,327	458,157,384	4.50%
2017	7,974	59,144	471,614,256	4.20%
2018	7,952	61,531	489,294,512	3.70%
2019	7,945	64,284	510,736,380	3.20%
2020	7,890	67,814	535,052,460	8.60%
2021	8,061	71,059	572,806,599	5.80%
2022	8,115	71,059 **	576,643,785 ***	3.70%
2023	8,115 *	71,059 **	576,643,785 ***	N/A

* - Latest Sussex County population available (2022) was used for calculation purposes.

** - Latest Sussex County per capita income available (2021) was used for calculation purposes.

*** - Latest available population data (2022) and latest available Sussex County per capita personal income (2021) was used for calculation purposes.

N/A - Information is not currently available.

Sources:

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

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

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

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

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

Employer	2022		2013		Percentage of Total Employment
	Employees	Percentage of Total Employment	Employer	Employees	
Selective Insurance Group Inc.	1,000-4,999	1.40%-7.00%	Crystal Springs Golf and Spa Resort	2,000	2.66%
Crystal Springs Resort	1,000-4,999	1.40%-7.00%	Newton Memorial Hospital	1,200	1.59%
Newton Medical Center	500-999	0.70%-1.40%	Selective Insurance	900	1.20%
Sussex County Offices	500-999	0.70%-1.40%	County of Sussex	830	1.10%
Thorlabs	500-999	0.70%-1.40%	Mountain Creek Resort	800	1.06%
Mountain Creek Resort	500-999	0.70%-1.40%	Ames Rubber Corp	445	0.59%
Shop Rite	250-499	0.35%-0.70%	Shop Rite Supermarkets	301	0.40%
Sussex County Community College	250-499	0.35%-0.70%	Andover Subacute & Rehab Center	300	0.40%
United Methodist Community Bristol Glen	250-499	0.35%-0.70%	Sussex County Community College	300	0.40%
Andover Subacute & Rehab Center	100-249	0.14%-0.35%	SCARC, Inc.	287	0.38%
	<u>4,850-15,740</u>	<u>4.07%-12.91%</u>	Total	<u>7,363</u>	<u>9.78%</u>
Total Employment - Sussex County	<u>71,425</u>		Total Employment	<u>75,252</u>	

Source: County of Sussex

BYRAM TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program:</u>	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction:										
Regular	68.0	65.0	61.7	59.1	58.9	56.1	52.8	51.3	48.0	53.0
Special Education	17.0	27.0	33.6	39.5	31.5	32.9	27.3	25.3	23.5	24.0
Other		3.0	2.0	3.0	5.2	5.0	5.0	3.5	4.0	5.4
Support Services:										
Student & Instruction Related Services	29.0	21.5	19.0	18.0	25.9	30.4	29.4	27.3	28.5	26.0
School Administrative Services	8.5	7.0	7.0	6.5	7.0	7.0	7.8	7.0	7.0	7.0
General Administrative Services	2.0	2.0	2.0	2.5	2.5	2.1	2.1	2.1	2.1	4.0
Central Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Plant Operations and Maintenance	12.5	11.0	10.3	10.3	10.5	10.5	10.5	10.5	8.0	9.2
Administrative Information Technology	2.0	2.0		0.0	0.0	0.0	0.0	0.0	2.0	0.0
Pupil Transportation			1.2	1.2	1.2	1.3	0.7	0.7	0.4	0.4
	<u>142.0</u>	<u>141.5</u>	<u>139.8</u>	<u>143.1</u>	<u>145.7</u>	<u>148.3</u>	<u>138.6</u>	<u>130.7</u>	<u>126.5</u>	<u>132.0</u>

Source: Byram Township School District Financial Reports.

BYRAM TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary and Middle Schools	Schools				
2014	884	\$ 15,207,446	17,203	13.71%	85.0	10:1	885	845	-7.62%	95.48%	
2015	867	15,263,919	17,605	2.34%	89.0	9:1	907	866	2.49%	95.48%	
2016	874	15,934,734	18,232	3.56%	93.0	8:1	880	841	-2.98%	95.57%	
2017	862	16,233,695	18,833	3.29%	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%	
2020	814	16,675,930	20,486	-2.80%	93.5	8.7:1	819	790	0.49%	96.46%	
2021	806	17,017,572	21,114	3.06%	91.5	8.7:1	808	787	-1.34%	97.40%	
2022	788	18,020,674	22,869	8.31%	84.0	9:1	816	771	0.99%	94.49%	
2023	812	19,020,270	23,424	2.43%	82.4	10:1	833	784	2.08%	94.12%	

Note: Enrollment based on annual October District count.

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

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

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

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

Sources: Byram Township School District Records.

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

District Buildings

Byram Lakes Elementary School:

<u>Fiscal Year</u>	<u>Square Feet</u>	<u>Capacity (Students)</u>	<u>Enrollment</u>
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
2020	85,173	892	442
2021	85,173	892	446
2022	85,173	892	410
2023	85,173	892	456

Intermediate Middle School:

<u>Fiscal Year</u>	<u>Square Feet</u>	<u>Capacity (Students)</u>	<u>Enrollment</u>
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
2020	87,931	614	372
2021	87,931	614	360
2022	87,931	614	378
2023	87,931	614	356

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

Source: Byram Township School District Records.

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

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

Facility	Project #(s)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
School Facilities:											
Byram Lakes Elementary	N/A	\$ 82,595	\$ 37,111	\$ 60,813	\$ 54,878	\$ 63,704	\$ 91,386	\$ 75,407	\$ 110,714	\$ 116,192	\$ 99,156
Intermediate Middle	N/A	79,357	104,777	186,473	95,800	90,169	117,785	71,984	106,373	73,397	63,898
Total School Facilities		\$ 161,952	\$ 141,888	\$ 247,286	\$ 150,678	\$ 153,873	\$ 209,171	\$ 147,391	\$ 217,087	\$ 189,589	\$ 163,054

N/A - Not Applicable

Source: Byram Township School District Records.

BYRAM TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2023
UNAUDITED

	Coverage	Deductible
School Alliance Insurance Fund (SAIF):		
Property - Blanket Building and Contents Including Boiler and Building and Personal Property	\$500,000,000	\$2,500
Inland Marine - Auto Physical Damage		
General Liability including Auto, Employee Benefits Each Occurrence	10,000,000	1,000
General Aggregate	100,000,000	
Product Completed Ops		
Personal Injury		
Fire Damage	2,500,000	
Medical Expenses	10,000	
(Excluding Students Taking Part in Athletics)		
Automobile Coverage	10,000,000	1,000
Combined Single Limit		
Hired/Non Owned		
Cyber Liability	2,000,000 Per Occurance	10,000
Excess Liability	5,000,000	
Environmental Impairment Liability	11,000,000	50,000
Environmental Liability/ Pollution / Mold Disinfection	1,000,000	25,000/100,000
Crime Coverage	50,000 Inside/Outside	1,000
Blanket Dishonesty Bond	500,000	1,000
Boiler and Machinery	100,000,000	2,500
School Board Legal	5,000,000	10,000
School Board Excess Liability (AL/GL)	5,000,000	
Workers' Compensation	Statutory	
Employer's Liability	5,000,000	
Supplemental Indemnity	Statutory	
Bond for School Business Administrator	250,000 Selective Insurance	
Student Accident	25,000 Students & athletes	

Source: District Records

SINGLE AUDIT SECTION



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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 "Office"), 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 (the "District"), in the County of Sussex, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 29, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 or significant deficiencies may exist that were not identified.

The Honorable President and Members
of the Board of Education
Byram Township School District
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Report on Compliance and Other Matters

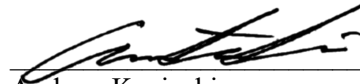
As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

September 29, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant



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Report on Compliance For Each Major State Program:
 Report on Internal Control Over Compliance Required by NJOMB 15-08

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

Opinion on 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 identified as subject to audit 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, 2023. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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.

The Honorable President and Members
of the Board of Education
Byram Township School District
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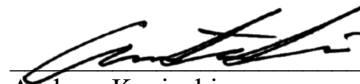
Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 New Jersey’s OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

September 29, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

**BYRAM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Assistance Listing Number	Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Balance at June 30, 2023		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
U.S. Department of Agriculture:										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
10.555	Food Distribution Program	N/A	7/1/22-6/30/23	\$ 18,312	\$ (17,085)		\$ 1,227			
10.555	Food Distribution Program	N/A	7/1/21-6/30/22	14,774	(505)					
10.555	National School Lunch Program	N/A	7/1/22-6/30/23	66,153		\$ (5,044)				
10.555	Supply Chain Assistance	N/A	7/1/22-6/30/23	51,077	(22,851)		28,226			
10.555	COVID 19 - Seamless Summer Option	N/A	7/1/21-6/30/22	352,194	(33,835)					
	Total Child Nutrition Cluster			164,333	(106,594)	(5,044)	29,453			
				505						
U.S. Department of Education:										
Passed-through State Department of Education:										
Special Revenue Fund:										
Elementary and Secondary Education Act:										
84.010	Title I	ESEA064023	7/1/22-9/30/23	52,867	(4,240)					
84.010	Title I	ESEA064022	7/1/21-9/30/22	55,521	(4,240)					
	Subtotal - Title I			108,388	(8,480)					
84.367	Title IIA	ESEA064023	7/1/22-9/30/23	24,271						
	Subtotal - Title IIA			24,271						
84.424	Title IV	ESEA064023	7/1/22-9/30/23	18,241						
84.424	Title IV	ESEA064022	7/1/21-9/30/22	15,550	(1,800)					
	Subtotal - Title IV			33,791	(1,800)					
Special Education Cluster:										
84.027	I.D.E.A. Part B, Basic	IDEA064023	7/1/22-9/30/23	186,426						
84.173	I.D.E.A. Preschool	IDEA064023	7/1/22-9/30/23	11,339						
	Total Special Education Cluster			197,765						
Education Stabilization Fund:										
84.425D	COVID 19 - CRRSA - ESSER II	S425D210027	3/13/20-9/30/23	146,744	(4,400)					
84.425D	COVID 19 - CRRSA - Learning Acceleration	S425D210027	3/13/20-9/30/23	25,000	(21,390)					
84.425D	COVID 19 - CRRSA - Mental Health	S425D210027	3/13/20-9/30/23	45,000	(13,800)					
84.425U	COVID 19 - ESSER III - ARP	S425U210027	3/13/20-9/30/24	329,798	(18,718)					
84.425U	COVID 19 - ESSER III - Learning Acceleration	S425U210027	3/13/20-9/30/24	66,891	(9,900)					
84.425U	COVID 19 - ESSER III - Summer Learning and Enrichment	S425U210027	3/13/20-9/30/24	40,000	(450)					
84.425U	COVID 19 - ESSER III - Comprehensive Beyond the School Day	S425U210027	3/13/20-9/30/24	40,000	(2,063)					
84.425U	COVID 19 - ESSER III - Mental Health	S425D210027	3/13/20-9/30/24	45,000	(70,721)					
	Total Education Stabilization Fund			707,738	(139,232)					
	Total U.S. Department of Education			249,333	(76,761)	(524,543)	(351,971)			

BYRAM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Balance at June 30, 2023		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue			Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Health and Human Services: General Fund:											
Medicaid Cluster:											
Medical Assistance Program	93.778	N/A	7/1/22-6/30/23	\$ 4,285		\$ 4,285	\$ (4,285)				
Total U.S. Department of Health and Human Services/Total Medicaid Cluster						4,285	(4,285)				
Total Federal Awards						\$ 417,951	\$ (635,422)	\$ (357,015)	\$ 29,453	\$ -0-	\$ -0-

N/A - Not Applicable/Available

SEE THE ACCOMPANYING NOTES TO THE 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, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Balance at June 30, 2023		MEMO		
				Budgetary	Accounts Receivable	GAAP	Accounts Receivable	Budgetary	Accounts Receivable	Cumulative Total
				Expenditures	Received	Expenditures	Received	Expenditures	Received	Expenditures
State Department of Education:										
General Fund Aid:										
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	\$ 1,158,112	\$	\$ 1,047,183	\$ (1,158,112)	\$	(110,929)	\$ 1,158,112	
School Choice Aid	23-495-034-5120-068	7/1/22-6/30/23	410,380		371,072	(410,380)		(39,308)	410,380	
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	232,137		209,902	(232,137)		(22,235)	232,137	
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	542,873		490,874	(542,873)		(51,999)	542,873	
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	70,573		63,813	(70,573)		(6,760)	70,573	
Extraordinary Special Education Costs Aid	23-495-034-5120-044	7/1/22-6/30/23	253,001			(253,001)		(253,001)	253,001	
Reimbursement of Nonpublic School Transportation Costs	23-495-034-5120-014	7/1/22-6/30/23	9,360			(9,360)		(9,360)	9,360	
Reimbursed TPAF Social Security	23-495-034-5094-003	7/1/22-6/30/23	475,451		452,422	(475,451)		(23,029)	475,451	
Supplemental Stabilization Aid	23-495-034-5120-148	7/1/22-6/30/23	16,292		16,292	(16,292)			16,292	
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-148	7/1/22-6/30/23	634,361		634,361	(634,361)			634,361	
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	2,381,749		2,381,749	(2,381,749)			2,381,749	
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	33,044		33,044	(33,044)			33,044	
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	764		764	(764)			764	
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	1,490,432	\$ (145,673)	145,673				1,490,432	
School Choice Aid	22-495-034-5120-068	7/1/21-6/30/22	384,132	(37,545)	37,545				384,132	
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	232,137	(22,689)	22,689				232,137	
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	542,873	(53,060)	53,060				542,873	
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	70,573	(6,898)	6,898				70,573	
Extraordinary Special Education Costs Aid	22-495-034-5120-044	7/1/21-6/30/22	194,205	(194,205)	194,205				194,205	
Reimbursement of Nonpublic School Transportation Costs	22-495-034-5120-014	7/1/21-6/30/22	3,498	(3,498)	3,498				3,498	
Securing Our Children's Future Bond Act (Alyssa's Law)	N/A	7/1/21-6/30/22	42,329	(42,329)	42,329				42,329	
Subtotal - General Fund / Total State Department of Education				(505,897)	6,207,373	(6,218,097)		(516,621)	9,197,108	
Special Revenue Fund Aid:										
School Development Authority:										
Emergent & Capital Maintenance Needs	N/A	7/1/22-6/30/23	36,233		36,233	(36,233)			36,233	
Subtotal - Special Revenue Fund					36,233	(36,233)			36,233	
Total State Department of Education				(505,897)	6,243,606	(6,254,330)		(516,621)	9,233,341	

BYRAM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Balance at June 30, 2023		MEMO	
				Budgetary Accounts Receivable	Cash Received	GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
<u>State Department of Agriculture:</u>									
Enterprise Fund:									
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	\$ 3,838		\$ 3,550				\$ 3,838
COVID 19 - Seamless Summer Option	22-100-010-3350-023	7/1/21-6/30/22	8,599		779				8,599
Total State Department of Agriculture			(779)		4,329			(288)	12,437
Total State Awards			\$ (506,676)		\$ 6,247,935			\$ (285,678)	\$ 9,245,778
Less: State Awards Not Subject to Single Audit Major Program Determination									
On-Behalf TPAF Pension System Contributions:									
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	(634,361)						\$ 634,361
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	(2,381,749)						2,381,749
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	(33,044)						33,044
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	(764)						764
Subtotal - On-Behalf TPAF Pension System Contributions									3,049,918
Total State Awards Subject to Single Audit Major Program Determination									\$ (3,208,250)

SEE THE ACCOMPANYING NOTES TO THE 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, 2023

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, 2023. 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 \$34,634 for the General Fund and \$9,275 for the Special Revenue Fund. See Exhibit C-3 and Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds, respectively.

BYRAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

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

	Federal	State	Total
General Fund	\$ 4,285	\$ 6,252,731	\$ 6,257,016
Special Revenue Fund	533,818	36,233	570,051
Food Service Fund	106,594	3,838	110,432
Total Awards	\$ 644,697	\$ 6,292,802	\$ 6,937,499

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, 2023.

BYRAM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 Required by NJOMB 15-08*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08.
- The District's programs tested as major state programs for the current fiscal year consisted of the following programs:

	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
<u>State Aid Public</u>				
Equalization Aid	23-495-034-5120-078	7/1/22 - 6/30/23	\$ 1,158,112	\$ 1,158,112
School Choice Aid	23-495-034-5120-068	7/1/22 - 6/30/23	410,380	410,380
Special Education Aid	23-495-034-5120-089	7/1/22 - 6/30/23	542,873	542,873
Security Aid	23-495-034-5120-084	7/1/22 - 6/30/23	70,573	70,573
Supplemental Stabilization Aid	23-495-034-5120-148	7/1/22 - 6/30/23	16,292	16,292

- The threshold for distinguishing Type A and Type B state programs was \$750,000.
- The District was determined to not be a "low-risk" auditee for state programs.

Findings and Questioned Costs for Federal Awards:

- Not applicable as Federal expenditures were below the single audit threshold.

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 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, 2023

Status of Prior Year Findings:

There were no prior year audit findings.