

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

Westampton, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

WESTAMPTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

Burlington County Institute of Technology Business Office

OUTLINE OF CAFR - GASB #34

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INTRODUCTORY SECTION

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Superintendent of Schools
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Ms. Theresa L. Margiotta
Business Administrator/Board Secretary
tmargiotta@bcit.cc

December 10, 2015

Honorable President and
Members of the Board of Education
Burlington County Institute of Technology
County of Burlington, New Jersey

Dear Board Members,

The comprehensive annual financial report of the Burlington County Institute of Technology School District (BCIT) for the fiscal year ended June 30, 2015 is hereby submitted. 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office on Management and Budget Circular A-133, "Audits of States Local Governments and Non Profit Organizations", and the state of New Jersey Circular Letter 04-04-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grant and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Burlington County Institute of Technology School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Burlington County Institute of Technology Board of Education and all its schools constitute the District's reporting entity.

The Burlington County Institute of Technology is a vocational high school serving grades 9 through 12 which also provides all required academic training. In addition to the high school program, the District operates an extensive adult post-secondary program. The District completed the 2014-15 fiscal year with a 9-12 high school enrollment of 2,007, which is 7 students more than the previous year's enrollment of 2,000.

2. **ECONOMIC CONDITION AND OUTLOOK:** The American economy is struggling with a crisis in the financial markets and remains somewhat uncertain as a result of the ongoing threat of terrorism and the War in Afghanistan. Manufacturing jobs will have a smaller share of the economy and service industries will create most of the new jobs. The work force will grow very slowly with an increasing share being female and disadvantaged workers. Most newly created jobs will demand a higher skill level. The changes in the educational offerings at the Burlington County Institute of Technology respect those trends.
3. **MAJOR INITIATIVES:** Over the past year, BCIT's primary initiative has been to provide students with a high quality career and technical education designed to prepare students for a career, higher education leading to career and lifelong learning. BCIT implemented two new academies at the Medford campus: Academy of Performing Arts and the Electronic and Computer Engineering Academy. Students participated in the first round of PARCC testing resulting in scores at or above the State average. The curricula have been enhanced with the addition of AP English Literature and World History. BCIT has extended the student experience by offering innovative blended learning classes for credit after the end of the normal school day in the areas of Forensic Science and Human Behavior. Security upgrades have been implemented to provide a safe environment that is conducive to learning. The district continues to partner with institutes of higher education through articulation agreements that allow students to earn college credit while in high school.
4. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of American(GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimate. Annual appropriated budgets are adopted for the general and special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015

- 6. ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.
- 7. CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan which requires it to deposit public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 8. RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9. OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allsion, P.C. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Office of Management and Budget Circular A-133 and State of New Jersey Circular 04-04-OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules 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.

- 10. ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Burlington County Institute of Technology Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



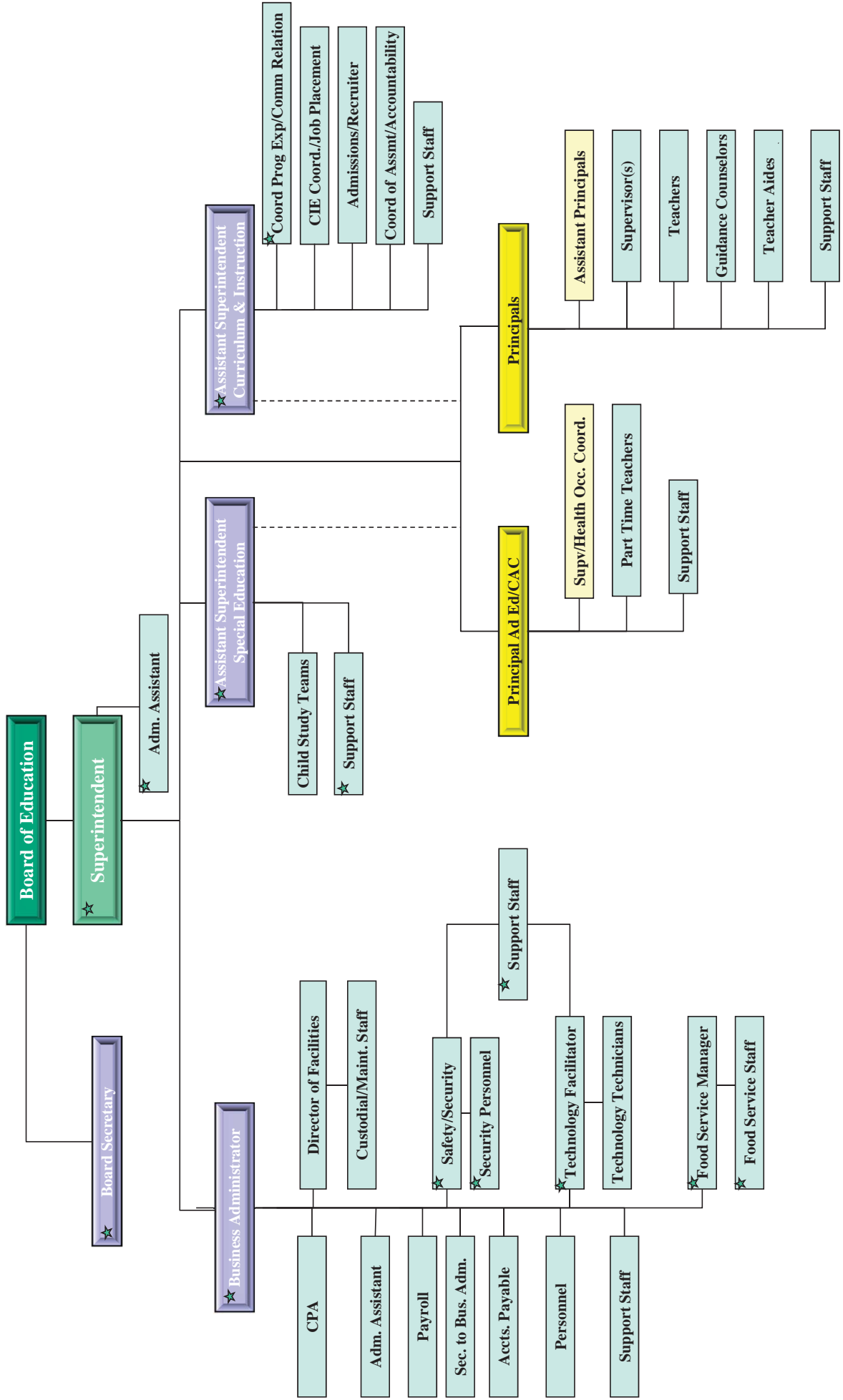
Christopher M. Manno, Ed. D.
Superintendent



Theresa L. Margiotta
Board Secretary/
School Business Administrator

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POLICY



BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
695 Woodlane Road
Westampton, New Jersey 08060

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Robert C. Silcox, President	2015
Paula Lee, Vice President	2015
Christopher Baxter	2016
Kathleen Burgess	2016
John J. Ferry	2017
Leon E. Jones, Jr.	2017
Mr. Todd Flora, Executive County Superintendent	

OTHER OFFICIALS

Christopher M. Manno, Ed.D., Superintendent

Theresa L. Margiotta, Business Administrator/Board Secretary

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
695 Woodlane Road
Westampton, New Jersey 08060

CONSULTANTS AND ADVISORS

ARCHITECT

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AUDIT FIRM

Michael Holt, CPA, PSA
Holman Frenia Allison, P. C.
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ATTORNEY

Anthony Drollas
Capehart Scatchard
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Mt. Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

Susquehanna Bank
Lumberton, NJ 08048

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Burlington County Institute of Technology
County of Burlington
Westampton, New Jersey 08060

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Burlington County Institute of Technology, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Burlington County Institute of Technology, County of Burlington, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Burlington County Institute of Technology's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015 on our consideration of the Board of Education of the Burlington County Institute of Technology internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board of Education of the Burlington County Institute of Technology's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Public School Accountant
Certified Public Accountant
No. 1148

Medford, New Jersey
December 10, 2015

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

UNAUDITED

The discussion and analysis of Burlington County Institute of Technology (BCIT) School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

As described in Note 1 to the financial statements, "Change in Accounting Principle", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of \$11,934,066, as indicated in Note 18 to the financial statements. Prior year balances reflected in MD&A have not been updated to reflect this change.

Financial Highlights

Key financial highlights for June 30, 2015 are as follows:

- In total, net position decreased by \$281,051 as explained below:
- General revenues accounted for \$37,608,856 in revenue or 79.15% of all revenues. Program specific revenues in the form of charges for services of \$1,930,509 and operating grants and contributions of \$7,974,397 accounted for \$9,904,906 or 20.85% of total revenues of \$47,513,762.
- The School District had \$47,794,813 in expenses; \$9,904,906 of these expenses were offset by program specific charges for services, grants or contributions.
- Total net position of governmental activities increased by \$72,923.
- Among major funds, the General Fund had \$39,731,234 in revenues, \$37,910,640 in expenditures. The General Fund's balance increased by \$1,820,594 from 2014.

Overview of the Financial Statements

The financial section of this annual report consists two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District.

- The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those type of activities that operate like a business.

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II that contains required supplementary information that further explains and supports the information in the financial statements including: budget schedules, reconciliations and individual fund statements.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

The statement of Net Position and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in that position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental and business-type activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and special schools.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The fund financial reports provide detailed information about the School District's major funds. The School District uses several funds to account for a variety of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund and the Capital Projects Fund; BCIT has no Debt Service Fund or Permanent Fund.

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole.

Table I provides a summary of the School District's net position for 2015 and 2014.

	Table I Net Position	
	2015	2014
Assets		
Current & Other Assets	6,669,442	6,496,697
Capital Assets	<u>48,644,746</u>	<u>49,250,471</u>
Total Assets	<u>55,314,118</u>	<u>55,747,168</u>
Deferred Outflows of Resources	<u>899,726</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources:	<u>56,213,844</u>	<u>55,747,168</u>
Liabilities		
Long-Term Liabilities	13,101,466	1,430,780
Other Liabilities	<u>864,443</u>	<u>887,816</u>
Total Liabilities	<u>13,965,909</u>	<u>2,318,596</u>
Deferred Inflows of Resources	<u>1,034,480</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources:	<u>15,000,389</u>	<u>2,318,596</u>
Net Position:		
Net Investment in Capital Assets	48,644,746	49,250,471
Restricted	4,952,079	3,677,889
Unrestricted	<u>(12,383,370)</u>	<u>500,212</u>
Total Net Position	<u>41,213,455</u>	<u>53,428,572</u>

The total net position of governmental activities increased by \$72,923. The total net position of the business-type activities decreased by \$353,974.

Table 2 shows a summary of changes in net position for fiscal year 2015 and 2014.

Table 2 Change in Net Position			
	<u>2015</u>	<u>2014</u>	Percentage Change
Revenues			
Program Revenues:			
Charges for Services	\$1,930,509	\$1,787,116	
Operating Grants & Contributions	7,974,397	3,417,907	
General Revenues:			
County Appropriations	15,894,974	15,894,974	
Federal & State Aid Unrestricted	15,244,160	15,683,915	
Tuition	6,312,285	6,132,240	
Other	157,437	27,704	
Total Revenue	47,513,762	42,943,856	10.64%
Program Expenses			
Governmental Activities:			
Instruction	13,977,872	15,182,706	
Support Services:			
Student & Instruction Related Services	3,356,321	3,132,509	
Administrative Services	6,422,987	3,534,463	
Plant Operation & Maintenance	5,723,616	5,652,374	
Pupil Transportation	227,069	224,603	
Employee Benefits	11,822,122	8,177,642	
Contribution for Debt Service	236,013	2,236,013	
Increase In Compensated Absences	400,465	48,091	
Gain on Revaluation of Fixed Assets	-	(1,360,985)	
Unallocated Depreciation	2,885,486	2,308,840	
Total Expenses, Governmental Activities	45,051,951	39,136,256	15.12%
Business-Type Activities:			
Food Service	1,261,877	915,279	
School Store	-	49,515	
Adult Education Programs	1,295,344	1,122,879	
Culinary Arts	-	113,983	
Beaver's Den Child Care	185,651	151,021	
Culinary Express	-	104,656	
Print Shop	-	13,863	
Engineering	-	23,318	
Auto Body	-	4,315	
Total Expenses, Business-Type Activities	2,742,862	2,498,829	9.77%
Total Expenses	47,794,813	41,635,085	14.79%
Increase (Decrease) in Net Position	(281,051)	1,308,771	

Governmental Activities

The dependence upon county appropriations and state aid is apparent. The local communities, County and State, are the primary support for the Burlington County Institute of Technology School District.

In 2015, County appropriations and state aid make up 66% of revenues for governmental activities, compared to 78% in the prior year.

Instruction comprises 31% of district governmental expenses in 2015, compared to 39% in the prior year. Support services expenses made up 61% of the governmental expenses in 2015, compared to 53% in 2014.

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Student and instruction related services include the activities designed to assess and improve the well-being of students and to supplement the teaching process.

Administrative services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administration services.

The final budget basis expenditure appropriation estimate was \$37,367,367 compared to the original estimate of \$36,820,864. This was due to 2013-14 encumbrances of \$555,503 appropriated in the 2014-15 budget. Actual expenditures for the 2014-15 year were \$37,961,119.

BCIT's expenditures also include the reimbursed TPAF pension and Social Security aid of \$2,813,398, which contributes to an unfavorable expenditure variance for the fiscal year.

Capital Assets

At the end of the fiscal year 2015, the School District had \$48,634,698 invested in land, buildings, furniture and equipment.

The following provides a summary of the capital assets held by the District:

Table 4

	<u>Governmental Activities</u>
Land	\$ 379,000
Land Improvements	5,875,962
Building and Improvements	73,950,998
Furniture and Equipment	8,598,679
Less: Accumulated Depreciation	<u>(40,169,941)</u>
Totals	<u>\$48,634,698</u>

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration

Debt administration of the School District is provided for by the County of Burlington.

Current Financial Issues and Concerns

BCIT has a long record of financial stability. Despite unpredictable funding from the State of New Jersey and flat funding for the past five years from the County of Burlington, the district manages to provide an excellent educational opportunity for all BCIT students. BCIT's budget growth has been increasing as a result of increased state aid, increase in tuition fees, and stable enrollment. The 2014-2015 general fund budget of \$36,820,864 represented a 1.5% increase from the 2013-2014 general fund budget. The projected 2015-2016 budget of \$37,255,722 represents an increase in the district budget of \$434,858. Prior to the 1998-1999 school year, BCIT's budget was funded almost entirely by state aid and county aid. For the 1998-1999 school year, the district began charging tuition to its sending districts. This was necessary as enrollment was increasing steadily while state aid and county aid were stagnant. The initial tuition charge was \$500 per student in 1998-1999. The charge for the 2014-2015 school year was \$3,121 for both regular students and special education students. The BCIT Board of Education does not wish to overburden our sending districts, hence, the tuition rate is kept as low as possible.

Enrollments have been increasing steadily at BCIT, and are almost at the building capacities. In June of 2015, the Medford Campus population includes 799 students and the Westampton Campus population includes 1,208 students for a total high school population of 2007 students. This is a total increase of 7 students.

BCIT expects slower enrollment growth, especially at the Westampton Campus, as building capacities are reached, and is committed to providing an excellent vocational education to every student in Burlington County who chooses to attend BCIT. We are also committed to providing excellent facilities and equipment. We believe that we have an excellent teaching staff and support personnel and are in a good position to be a leading provider of a vocational or technical education in the 21st century. Finally, we are committed to financial excellence and stability.

Contacting the School District's Financial Management

These financial reports are designed to provide our citizens, taxpayers and creditors with a general overview of BCIT's finances and to show the accountability for money received from the state and local government. If you have questions about this report or need additional information, contact Theresa L. Margiotta, Secretary to the Board of Education and School Business Administrator at: Burlington County Institute of Technology, 2 Academy Drive, Westampton, NJ 08060.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS JUNE 30, 2015
Cash & Cash Equivalents	\$ 1,979,014	\$ 849,798	\$ 2,828,812
Accounts Receivable:			
Federal	85,992	30,181	116,173
State	651,916	780	652,696
Other	138,264	-	138,264
Inventory	-	32,988	32,988
Capital Assets, Non-Depreciable (Note 5)	379,000	-	379,000
Capital Assets, Depreciable, Net (Note 5)	48,255,698	10,048	48,265,746
Restricted Cash	2,900,439	-	2,900,439
Total Assets	54,390,323	923,795	55,314,118
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	899,726	-	899,726
Total Deferred Outflows of Resources	899,726	-	899,726
Total Assets and Deferred Outflows of Resources	55,290,049	923,795	56,213,844
LIABILITIES			
Accounts Payable	217,487	468	217,955
Unearned Revenue	-	101,158	101,158
PERS Pension Payable	545,330	-	545,330
Noncurrent Liabilities (Note 7):			
Due Beyond One Year	13,101,466	-	13,101,466
Total Liabilities	13,864,283	101,626	13,965,909
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,034,480	-	1,034,480
Total Deferred Inflows of Resources	1,034,480	-	1,034,480
Total Liabilities and Deferred Inflows of Resources	14,898,763	101,626	15,000,389
NET POSITION			
Net Investment in Capital Assets	48,634,698	10,048	48,644,746
Restricted For:			
Capital Projects	337,068	-	337,068
Other Purposes	4,622,596	-	4,622,596
Unrestricted	(13,203,076)	812,121	(12,390,955)
Total Net Position	\$ 40,391,286	\$ 822,169	\$ 41,213,455

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION				TOTALS
	PROGRAM REVENUES	GOVERNMENTAL	BUSINESS-	JUNE 30,	
	CHARGES	ACTIVITIES	TYPE	2015	
	FOR	ACTIVITIES	ACTIVITIES		
	SERVICES	CONTRIBUTIONS			
	OPERATING				
	GRANTS &				
	CONTRIBUTIONS				
	EXPENSES				
FUNCTIONS/PROGRAMS					
Governmental Activities:					
Instruction:					
Regular	\$ 6,261,811	\$ -	\$ 1,112,648	\$ (5,149,163)	\$ (5,149,163)
Special Education	2,127,520	-	-	(2,127,520)	(2,127,520)
Vocational Education	4,491,980	-	-	(4,491,980)	(4,491,980)
Other Instruction	1,096,561	-	-	(1,096,561)	(1,096,561)
Support Services:					
Student & Instruction Related Services	3,356,321	-	54,420	(3,301,901)	(3,301,901)
Other Administrative Services	472,789	-	-	(472,789)	(472,789)
School Administrative Services	5,950,198	-	-	(5,950,198)	(5,950,198)
Plant Operations & Maintenance	5,723,616	-	-	(5,723,616)	(5,723,616)
Pupil Transportation	227,069	-	-	(227,069)	(227,069)
Unallocated Employee Benefits	11,822,122	-	6,298,480	(5,523,642)	(5,523,642)
Contribution for Debt Service and Other Charges	236,013	-	-	(236,013)	(236,013)
Increase/(Decrease) In Compensated Absence:	400,465	-	-	(400,465)	(400,465)
Unallocated Depreciation	2,885,486	-	-	(2,885,486)	(2,885,486)
Total Governmental Activities	45,051,951	-	7,465,548	(37,586,403)	(37,586,403)
Business-Type Activities:					
Food Service	1,261,877	694,103	508,849	-	(58,925)
Adult Education Programs	1,295,334	1,062,453	-	-	(232,881)
Beaver's Den Child Care	185,651	173,953	-	-	(11,698)
Total Business-Type Activities	2,742,862	1,930,509	508,849	-	(303,504)
Total Primary Government	\$ 47,794,813	\$ 1,930,509	\$ 7,974,397	(37,586,403)	(37,889,907)

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION</u>		<u>TOTALS</u>
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2015
FUNCTIONS/PROGRAMS			
County Appropriations	15,894,974	-	15,894,974
Federal & State Aid Unrestricted	15,244,160	-	15,244,160
Tuition Received	6,312,285	-	6,312,285
Investment Earnings	4,826	-	4,826
Miscellaneous Income	203,081	(50,470)	152,611
	<u>37,659,326</u>	<u>(50,470)</u>	<u>37,608,856</u>
Total General Revenues, Special Items, Extraordinary Items & Transfer			
Change In Net Position	72,923	(353,974)	(281,051)
Beginning Net Position, As restated, See Note 18	40,318,363	1,176,143	41,494,506
Ending Net Position	<u>\$ 40,391,286</u>	<u>\$ 822,169</u>	<u>\$ 41,213,455</u>

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B. Fund Financial Statements

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Governmental Funds

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	<u>TOTALS</u> JUNE 30, 2015
Cash & Cash Equivalents	\$ 2,293,852	\$ -	\$ -	\$ 2,293,852
Accounts Receivable:				
Federal	15,228	70,764	-	85,992
State	42,868	10,009	599,039	651,916
Other	131,876	-	-	131,876
Interfund	7,764	-	-	7,764
Restricted Cash	2,900,439	-	-	2,900,439
Total Assets	\$ 5,392,027	\$ 80,773	\$ 599,039	\$ 6,071,839
LIABILITIES & FUND BALANCES				
Liabilities:				
Cash Deficit	\$ -	\$ 72,054	\$ 242,784	\$ 314,838
Interfund Payable	-	1,376	-	1,376
Accounts Payable	190,957	7,343	19,187	217,487
Total Liabilities	190,957	80,773	261,971	533,701
Fund Balances:				
Restricted:				
Capital Reserve	2,900,439	-	-	2,900,439
Excess Surplus Designated for Subsequent Year's Expenditures	121,053	-	-	121,053
Capital Projects	-	-	337,068	337,068
Assigned to:				
Other Purposes	1,601,104	-	-	1,601,104
Unassigned:				
General Fund	578,474	-	-	578,474
Total Fund Balances	5,201,070	-	337,068	5,538,138
Total Liabilities & Fund Balances	\$ 5,392,027	\$ 80,773	\$ 599,039	

Amounts reported for *governmental activities* in the statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$88,804,639 and the accumulated depreciation is \$40,169,941.	\$ 48,634,698
Deferred outflows and inflows of resources related to pensions and deferred charges and/or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	(134,754)
PERS pension payable is not recorded in the fund Financial Statements due to the fact that the payables are not due in the period.	(545,330)
Long-term liabilities, including bonds payable, capital leases, early retirement liability and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(13,101,466)
Net position of Governmental Activities	\$ 40,391,286

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS JUNE 30, 2015
Revenues:				
Local Sources:				
County Appropriations	\$ 15,894,974	\$ -	\$ -	\$ 15,894,974
Tuition from LEA's	6,312,285	-	-	6,312,285
Other Local Revenues/Miscellaneous	157,437	-	-	157,437
Total Local Sources	22,364,696	-	-	22,364,696
State Sources	17,316,196	19,000	484,452	17,819,648
Federal Sources	50,351	1,471,865	-	1,522,216
Total Revenues	39,731,243	1,490,865	484,452	41,706,560
Expenditures:				
Current Expense:				
Regular Instruction	5,149,163	1,112,648	-	6,261,811
Special Education Instruction	2,127,520	-	-	2,127,520
Vocational Education	4,491,980	-	-	4,491,980
Other Instruction	1,096,561	-	-	1,096,561
Support Services & Undistributed Costs:				
Student & Instruction Related Services	3,301,901	54,420	-	3,356,321
Other Administrative Services	472,789	-	-	472,789
School Administrative Services	5,950,198	-	-	5,950,198
Plant Operations & Maintenance	5,723,616	-	-	5,723,616
Pupil Transportation	227,069	-	-	227,069
Employee Benefits	8,320,801	117,238	-	8,438,039
Contribution for Debt Service	236,013	-	-	236,013
Capital Outlay	863,508	206,559	1,211,130	2,281,197
Total Expenditures	37,961,119	1,490,865	1,211,130	40,663,114
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	1,770,124	-	(726,678)	1,043,446
Other Financing Sources/(Uses):				
Operating Transfers In (Out) - Transfer In	50,470	-	-	50,470
Total Other Financing Sources/(Uses)	50,470	-	-	50,470
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	1,820,594	-	(726,678)	1,093,916
Fund Balances July 1	3,380,476	-	1,063,746	4,444,222
Fund Balances June 30	\$ 5,201,070	\$ -	\$ 337,068	\$ 5,538,138

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 1,093,916

Amounts reported for governmental activities in the statement of activities (A-2) are different because

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:

Capital Outlays	\$	2,281,197	
Depreciation Expense		(2,885,486)	(604,289)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

PERS District Pension Contribution - 2015		496,242	
Unfunded TPAF Pension Expense		(3,367,844)	
State Share of Unfunded TPAF Pension Expense		3,367,844	
Pension Expense		(512,481)	(16,239)

Repayment of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Prior Year		1,430,780	
Current Year		(1,831,245)	(400,465)

Change in Net Position of Governmental Activities \$ 72,923

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Proprietary Funds

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS	FOOD SERVICE FUND	SCHOOL STORE	FIRE SCHOOL	ADULT EDUCATION	BEAVER'S DEN CHILD CARE	SUMMER CAMPS	<u>TOTALS</u> JUNE 30, 2015
Current Assets:							
Cash	\$ 64,819	\$ -	\$ 228,453	\$ 449,063	\$ 68,438	\$ 39,025	\$ 849,798
Accounts Receivable:							
State	780	-	-	-	-	-	780
Federal	30,181	-	-	-	-	-	30,181
Inventories	12,185	20,803	-	-	-	-	32,988
Total Current Assets	<u>107,965</u>	<u>20,803</u>	<u>228,453</u>	<u>449,063</u>	<u>68,438</u>	<u>39,025</u>	<u>913,747</u>
Capital Assets:							
Equipment	14,356	-	-	-	-	-	14,356
Less: Accumulated Depreciation	(4,308)	-	-	-	-	-	(4,308)
Total Capital Assets	<u>10,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,048</u>
Total Assets	<u>118,013</u>	<u>20,803</u>	<u>228,453</u>	<u>449,063</u>	<u>68,438</u>	<u>39,025</u>	<u>923,795</u>
LIABILITIES							
Current Liabilities:							
Cash Deficit	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	61,783	350	39,025	101,158
Accounts Payable	-	-	-	468	-	-	468
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,251</u>	<u>350</u>	<u>39,025</u>	<u>101,626</u>
NET POSITION							
Net Investment in Capital Assets	10,048	-	-	-	-	-	10,048
Unrestricted	107,965	20,803	228,453	386,812	68,088	-	812,121
Total Net Position	<u>\$ 118,013</u>	<u>\$ 20,803</u>	<u>\$ 228,453</u>	<u>\$ 386,812</u>	<u>\$ 68,088</u>	<u>\$ -</u>	<u>\$ 822,169</u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES
EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	FOOD SERVICE FUND	SCHOOL STORE	FIRE SCHOOL	ADULT EDUCATION	CULINARY ARTS	BEAVER'S DEN CHILD CARE
Operating Revenues:						
Local Sources:						
Fees	\$ 166,811	\$ -	\$ 180,966	\$ 881,487	\$ -	\$ 173,953
Daily Sales-Reimbursable Programs	225,607	-	-	-	-	-
Daily Sales-Non-Reimbursable Program	252,429	-	-	-	-	-
Miscellaneous	17,842	-	-	-	-	-
Special Functions	31,414	-	-	-	-	-
Total Operating Revenue	<u>694,103</u>	<u>-</u>	<u>180,966</u>	<u>881,487</u>	<u>-</u>	<u>173,953</u>
Operating Expenses:						
Cost of Sales	629,496	-	-	77,539	-	-
Administrative Fees	87,885	-	-	-	-	-
Employee Benefits	100,144	-	-	120,224	-	-
Insurance	16,446	-	-	-	-	-
Miscellaneous	4,910	-	-	111,497	-	-
Depreciation	1,436	-	-	-	-	-
Salaries	354,043	-	88,690	853,923	-	169,550
Supplies	67,517	-	-	-	-	16,101
Textbooks	-	-	43,461	-	-	-
Total Operating Expenses	<u>1,261,877</u>	<u>-</u>	<u>132,151</u>	<u>1,163,183</u>	<u>-</u>	<u>185,651</u>
Operating Income/(Loss)	<u>(567,774)</u>	<u>-</u>	<u>48,815</u>	<u>(281,696)</u>	<u>-</u>	<u>(11,698)</u>
Nonoperating Revenues (Expenses)						
State Sources:						
State School Lunch Program	8,629	-	-	-	-	-
Federal Sources:						
School Breakfast Program	104,557	-	-	-	-	-
National School Lunch Program	336,076	-	-	-	-	-
Food Distribution Program	59,587	-	-	-	-	-
Total Nonoperating Revenue (Expenses)	<u>508,849</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources/(Uses):						
Operating Transfers In/(Out)	<u>-</u>	<u>(37,850)</u>	<u>-</u>	<u>28,395</u>	<u>1,464</u>	<u>-</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(37,850)</u>	<u>-</u>	<u>28,395</u>	<u>1,464</u>	<u>-</u>
Change in Net Position	(58,925)	(37,850)	48,815	(253,301)	1,464	(11,698)
Total Net Position - Beginning	<u>176,938</u>	<u>58,653</u>	<u>179,638</u>	<u>640,113</u>	<u>(1,464)</u>	<u>79,786</u>
Total Net Position - Ending	<u>\$ 118,013</u>	<u>\$ 20,803</u>	<u>\$ 228,453</u>	<u>\$ 386,812</u>	<u>\$ -</u>	<u>\$ 68,088</u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES
EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

					<u>TOTALS</u>
	CULINARY EXPRESS	PRINT SHOP	AUTO BODY	ENGINEERING	JUNE 30, 2015
Operating Revenues:					
Local Sources:					
Fees	\$ -	\$ -	\$ -	\$ -	\$ 1,403,217
Daily Sales-Reimbursable Programs	-	-	-	-	225,607
Daily Sales - Nonreimbursable Program	-	-	-	-	252,429
Miscellaneous	-	-	-	-	17,842
Special Functions	-	-	-	-	31,414
Sales of Clothing & Supplies	-	-	-	-	-
Total Operating Revenue	-	-	-	-	1,930,509
Operating Expenses:					
Cost of Sales	-	-	-	-	707,035
Administrative Fees	-	-	-	-	87,885
Employee Benefits	-	-	-	-	220,368
Insurance	-	-	-	-	16,446
Miscellaneous	-	-	-	-	116,407
Depreciation	-	-	-	-	1,436
Salaries	-	-	-	-	1,466,206
Supplies	-	-	-	-	83,618
Textbooks	-	-	-	-	43,461
Total Operating Expenses	-	-	-	-	2,742,862
Operating Income/(Loss)	-	-	-	-	(812,353)
Nonoperating Revenues (Expenses):					
State Sources:					
State School Lunch Program	-	-	-	-	8,629
Federal Sources:					
School Breakfast Program	-	-	-	-	104,557
National School Lunch Program	-	-	-	-	336,076
Food Distribution Program	-	-	-	-	59,587
Total Nonoperating Revenue/ (Expenses)	-	-	-	-	508,849
Other Financing Sources/(Uses):					
Operating Transfers In/(Out)	(26,916)	(16,184)	1,218	(597)	(50,470)
Total Other Financing Sources/ (Uses)	(26,916)	(16,184)	1,218	(597)	(50,470)
Change in Net Position	(26,916)	(16,184)	1,218	(597)	(353,974)
Total Net Position - Beginning	26,916	16,184	(1,218)	597	1,176,143
Total Net Position - Ending	\$ -	\$ -	\$ -	\$ -	\$ 822,169

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	FOOD SERVICE FUND	SCHOOL STORE	FIRE SCHOOL	ADULT EDUCATION	CULINARY ARTS	BEAVER'S DEN CHILD CARE
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 755,126	\$ -	\$ 180,966	\$ 881,487	\$ -	\$ 173,953
Payments to Employees	(354,043)	-	(88,690)	(853,923)	-	(169,550)
Payments to Food Service Management Company	(83,865)	-	-	-	-	-
Payments for Employee Benefits	(100,144)	-	-	(120,224)	-	-
Payments to Suppliers	(715,846)	-	(43,461)	(172,665)	-	(15,751)
Net Cash Provided/(Used) by Operating Activities	(498,772)	-	48,815	(265,325)	-	(11,348)
Cash Flows From Noncapital Financing Activities:						
Cash Received From State & Federal Programs	449,262	-	-	-	-	-
Transfers Out	-	(37,850)	-	28,395	1,464	-
Net Cash Provided by Noncapital Financing Activities	449,262	(37,850)	-	28,395	1,464	-
Net Increase/(Decrease) in Cash & Cash Equivalents	(49,510)	(37,850)	48,815	(236,930)	1,464	(11,348)
Balances - Beginning of Year	114,329	37,850	179,638	685,993	(1,464)	79,786
Balances - Ending of Year	\$ 64,819	\$ -	\$ 228,453	\$ 449,063	\$ -	\$ 68,438
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:						
Operating Income (Loss)	\$ (567,774)	\$ -	\$ 48,815	\$ (281,696)	\$ -	\$ (11,698)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used in) Operating Activities:						
Food Distribution Program	59,587	-	-	-	-	-
Cancellation of Prior Year Receivable	1,436	-	-	-	-	-
Change in Assets & Liabilities:						
(Increase)/Decrease in Accounts Receivable	4,020	-	-	-	-	-
(Increase)/Decrease in Inventory	3,959	-	-	-	-	-
Increase/(Decrease) in Other Payables	-	-	-	16,371	-	350
Net Cash Provided/(Used) by Operating Activities	\$ (498,772)	\$ -	\$ 48,815	\$ (265,325)	\$ -	\$ (11,348)

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	CULINARY EXPRESS	PRINT SHOP	AUTO BODY	ENGINEERING	SUMMER CAMPS	JUNE 30, 2015	TOTALS
Cash Flows from Operating Activities:							
Receipts from Customers	\$ -	\$ -	\$ -	\$ -	\$ 39,025	\$ 2,030,557	
Payments to Employees	-	-	-	-	-	(1,466,206)	
Payments to Food Service Management Company	-	-	-	-	-	(83,865)	
Payments for Employee Benefits	-	-	-	-	-	(220,368)	
Payments to Suppliers	-	-	-	-	-	(947,723)	
Net Cash Provided/(Used) by Operating Activities	-	-	-	-	39,025	(687,605)	
Cash Flows From Noncapital Financing Activities:							
Cash Received From State & Federal Programs	-	-	-	-	-	449,262	
Transfers Out	(26,916)	(16,184)	1,218	(597)	-	(50,470)	
Net Cash Provided by Noncapital Financing Activities	(26,916)	(16,184)	1,218	(597)	-	398,792	
Net Increase/(Decrease) in Cash & Cash Equivalents	(26,916)	(16,184)	1,218	(597)	39,025	(288,813)	
Balances - Beginning of Year	26,916	16,184	(1,218)	597	-	1,138,611	
Balances - Ending of Year	\$ -	\$ -	\$ -	\$ -	\$ 39,025	\$ 849,798	
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:							
Operating Income (Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (812,353)	
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used in) Operating Activities:							
Food Distribution Program	-	-	-	-	-	59,587	
Cancellation of Prior Year Receivable	-	-	-	-	-	1,436	
Change in Assets & Liabilities:							
(Increase)/Decrease in Accounts Receivable	-	-	-	-	-	4,020	
(Increase)/Decrease in Inventory	-	-	-	-	-	3,959	
Increase/(Decrease) in Unearned Revenue	-	-	-	-	39,025	39,025	
Increase/(Decrease) in Other Payables	-	-	-	-	-	16,721	
Net Cash Provided/(Used) by Operating Activities	\$ -	\$ -	\$ -	\$ -	\$ 39,025	\$ (687,605)	

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Fiduciary Fund

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITON
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE			TOTALS
	UNEMPLOYMENT COMPENSATION INSURANCE	AGENCY FUNDS STUDENT ACTIVITY	PAYROLL	JUNE 30, 2015
Cash & Cash Equivalents	\$ 744,615	\$ 207,294	\$ 157,336	\$ 1,109,245
Total Assets	744,615	207,294	157,336	1,109,245
LIABILITIES				
Unemployment Claims Payable	8,756	-	-	8,756
Interfund	-	-	6,388	6,388
Payroll Deductions & Withholdings	-	-	150,948	150,948
Accounts Payable	-	11,762	-	11,762
Due to Student Groups	-	195,532	-	195,532
Total Liabilities	8,756	207,294	157,336	373,386
NET POSITION				
Restricted	735,859	-	-	735,859
Total Net Position	\$ 735,859	\$ -	\$ -	\$ 735,859

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

	PRIVATE PURPOSE	TOTALS
ADDITIONS	UNEMPLOYMENT COMPENSATION INSURANCE	JUNE 30, 2015
Local Sources:		
Employee Salary Deductions	\$ 69,246	\$ 69,246
Total Operating Revenues	69,246	69,246
Other Sources:		
Interest on Investments	745	745
Total Additions	69,991	69,991
DEDUCTIONS		
Unemployment Compensation		
Insurance Claims	84,164	84,164
Total Deductions	84,164	84,164
Change in Net Position	(14,173)	(14,173)
Net Position - Beginning of the Year	750,032	750,032
Net Position - End of the Year	\$ 735,859	\$ 735,859

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Burlington County Institute of Technology have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounts policies.

For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

Reporting Entity

The Burlington County Institute of Technology is a Type I district located in the County of Burlington, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education. The Board consists of appointed officials by the County Freeholders 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. The Board is comprised of four members appointed to four year terms, which are staggered so that one member's term expires each year. In addition the County Superintendent serves as an ex-officio member. There are two campuses, Woodlane Road in Westampton Township and Hawkins Road in Medford Township. The District provides a full range of educational services appropriate to grade levels 9 through 12. The Burlington County Institute of Technology has an approximate enrollment at June 30, 2015 of 2,007 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

Component Units – GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The following

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

organization is considered a component unit, however, the School District has determined that it is not significant and, therefore, has not been included in the basic financial statements.

Based on the aforementioned criteria, the District has one component unit as listed below:

Burlington County Institute of Technology Foundation
2 Academy Drive
Westampton, New Jersey 08060

Requests for financial information should be addressed to the organization listed above.

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current \ fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund, School Store Fund, Little Pioneers Fund and Summer Camps Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

The District reports the following major governmental funds:

Governmental Funds

General Fund - The general fund is the general operating fund of the Burlington County Institute of Technology and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey Department of Education Burlington County Institute of Technology includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

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

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Fund

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

The District’s Enterprise Fund is comprised of the Food Service, School Store, Fire School, Adult Education, Beaver’s Den Child Care and Summer Camp Funds.

All Proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line-method. The estimated useful lives are as follows:

Buildings & Improvements	10-50 years
Equipment	12 years
Light Trucks & Vehicles	4 years
Heavy Trucks & Vehicles	6 years

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Agency Funds - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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 legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

The budget, as detailed on Exhibit C-1 and Exhibit C-2, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

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 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.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or 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.

Cash and Cash Equivalents

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

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.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 loss of funds on deposit with a failed banking institution in New Jersey.

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2015 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

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. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Site Improvements	20 Years
Building & Improvements	20-50 Years
Machinery and Equipment	5–20 Years

Compensated Absences

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

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Use of Estimates

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

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27* effective for fiscal years beginning after June 15, 2014. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2015 through the date of November 24, 2015, which is the date the financial statements were available to be issued.

Pensions Section

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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2. Cash and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District's bank balance of \$8,323,556 was exposed to custodial credit risk as follows:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 2. Cash and Investments (continued):

Insured Under FDIC	\$	250,000
Collateralized by securities held by		
Pledging financial institution		1,472,234
Uninsured and uncollateralized		<u>6,601,322</u>
Total	\$	<u>8,323,556</u>

Investments

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

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank , which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentrations - The District places no limit in the amount the District may invest in any one issuer

As of June 30, 2015, the District had no investments.

Note 3. Capital Reserve Account

A capital reserve account was established by the Burlington County Institute of Technology on October 10, 2000, 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,

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 3. Capital Reserve Account (continued):

a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated 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-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFPP

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1 2014	\$ 1,911,527
Interest Earnings	1,912
Board Approval	<u>987,000</u>
Ending Balance June 30 , 2015	<u><u>\$ 2,900,439</u></u>

Note 4. Accounts Receivable

Accounts receivable at June 30, 2015 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>	Proprietary <u>Funds</u>	<u>Total</u>
Intergovernmental	\$ 58,096	\$ 80,773	\$ 599,039	\$ 30,961	\$ 768,869
Other	<u>131,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,876</u>
Total	<u><u>\$ 189,972</u></u>	<u><u>\$ 80,773</u></u>	<u><u>\$ 599,039</u></u>	<u><u>\$ 30,961</u></u>	<u><u>\$ 900,745</u></u>

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 5. Capital Assets

The following schedule is a summarization of the capital fixed assets by source for the fiscal year ended June 30, 2015:

	June 30,				Transfers/ Adjustments	June 30,
	2014	Additions	Deletions			2015
Governmental Activities:						
Capital assets not being depreciated:						
Land	\$ 379,000	\$ -	\$ -		\$ -	\$ 379,000
Construction in Progress	286,467	-	-		(286,467)	-
Total assets not being depreciated	<u>665,467</u>	<u>-</u>	<u>-</u>		<u>(286,467)</u>	<u>379,000</u>
Capital Assets being depreciated:						
Buildings	72,074,554	1,589,977	-		286,467	73,950,998
Land Improvements	5,875,962	-	-		-	5,875,962
Machinery & Equipment	7,907,459	691,220	-		-	8,598,679
Total Historical Cost	<u>85,857,975</u>	<u>2,281,197</u>	<u>-</u>		<u>286,467</u>	<u>88,425,639</u>
Less: accumulated depreciation						
Buildings & Improvements	(30,360,533)	(2,018,137)	-		-	(32,378,670)
Land Improvements	(2,562,819)	(293,798)	-		-	(2,856,617)
Machinery & Equipment	(4,361,103)	(573,551)	-		-	(4,934,654)
Total accumulated depreciation	<u>(37,284,455)</u>	<u>(2,885,486)</u>	<u>-</u>		<u>-</u>	<u>(40,169,941)</u>
Capital assets being depreciated, net	<u>48,573,520</u>	<u>(604,289)</u>	<u>-</u>		<u>286,467</u>	<u>48,255,698</u>
Total Governmental Activities, net	<u>\$ 49,238,987</u>	<u>\$ (604,289)</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ 48,634,698</u>

Note 6. Transfers to Capital Outlay

During the year ending June 30, 2015, the District transferred \$2,095,868 to the Capital Outlay Account.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 7. Long-Term Obligations

During the fiscal year ended June 30, 2015 the following changes occurred in liabilities reported in the general long-term debt account group:

	June 30, 2014	Accrued/ Increases	Retired/ Decreases	June 30, 2015
Governmental Activities:				
Compensated Absences	\$ 1,430,780	\$ 400,465	\$ -	\$ 1,831,245
Net Pension Liability	11,934,066	-	(663,845)	11,270,221
Total	\$ 13,364,846	\$ 400,465	\$ (663,845)	\$ 13,101,466

Note 8: Pension Obligations

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 PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/5 5th 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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit 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.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. 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. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. 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.

Three-Year Trend Information for PERS

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2015	\$ 497,235	100%	\$ 11,270,221
6/30/2014	515,820	100%	11,934,066
6/30/2013	586,838	100%	-

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$11,270,221 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .06020%, which was an decrease of .00225% from its proportion measured as of June 30, 2013.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>6/30/2015</u>	<u>6/30/2014</u>
	July 1, 2014	July 1, 2013
Actuarial valuation date		
Deferred Outflows of Resources	\$ 899,726	\$ 496,242
Deferred Inflows of Resources	\$ 1,034,480	\$ -
Net Pension Liability	\$ 11,270,221	\$ 11,934,066
District's portion of the Plan's total net pension Liability	0.06020%	0.06244%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$516,625. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 354,396	\$ -
Net difference between projected and actual earnings on pension plan investments	-	671,644
Changes in proportion and differences between District contributions and proportionate share of contributions	-	362,836
District contributions subsequent to the measurement date	545,330	-
Total	<u>\$ 899,726</u>	<u>\$ 1,034,480</u>

The \$545,330 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

<u>Year Ended June 30:</u>	<u>PERS</u>
2016	\$ (151,866)
2017	(151,866)
2018	(151,866)
2019	(151,866)
2020	(151,866)
Thereafter	79,244

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

	<u>PERS</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male or Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate - Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
Total	100%	

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2014, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

	1% <u>Decrease</u> (4.39%)	Current <u>Discount</u> Rate (5.39%)	1% <u>Increase</u> (6.39%)
District's proportionate share of the net pension liability	14,178,322	11,270,221	8,828,156

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. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

The following represents the membership tiers for TPAF:

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

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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and 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.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. 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. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

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

**Three-Year Trend Information for TPAF Pension & Post Retirement Medical Contributions
(Paid on behalf of the District)**

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2015	\$ 1,835,045	100%	-
6/30/2014	1,583,034	100%	-
6/30/2013	2,118,391	100%	-

Teachers Pensions and Annuity Fund (TPAF) - 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 Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

Mortality rates based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
Total	100%	

Discount rate - The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the State will be made at current statutorily required rates. 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 active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees eligible for post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

Note 10. Risk Management

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.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance – The District has elected to fund their 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 School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two years:

Fiscal Year	District Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2014-2015	\$ 69,246	\$ 745	\$ 84,164	\$ 735,859
2013-2014	31,784	799	129,716	750,032
2012-2013	35,347	3,473	101,639	847,165

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 11. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Note 12. Economic Dependency

The District 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, could have an effect on the District's programs and activities.

Note 13. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 7,764	\$ -
Special Revenue Fund	-	1,376
Fiduciary Funds	-	6,388
	<u>\$ 7,764</u>	<u>\$ 7,764</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 44,854	\$ 3,517
Special Revenue Fund	1,376	-
Enterprise Funds	-	44,854
Fiduciary Funds	2,141	-
	<u>\$ 48,371</u>	<u>\$ 48,371</u>

The purpose of interfund transfers were for the local share of new capital projects that were approved during the 2015-14 school year.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 14. Fund Balance Disclosures

General Fund (Exhibit B-1) – Of the \$5,201,070 General Fund fund balance at June 30, 2015, \$2,900,439 has been restricted for the Capital Reserve Account; \$121,053 is restricted for excess surplus designated for subsequent year’s expenditures; \$1,601,104 is assigned to other purposes and \$578,474 is unassigned.

Capital Projects Fund (Exhibit B-1) – The fund balance of \$337,068 has been restricted for the Capital Projects Fund.

Note 15. Deferred Compensation

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

Oppenheimer	Tom Seely	Equitable	Lincoln Investment
Valic	Lincoln Life	Advanced Asset Planning	

Note 16. Compensated Absences

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

District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. Employees who are employed for twelve months are entitled to twelve paid sick days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. However, an employee must have 25 years of service or their contract must specifically allow the payment of unused sick leave. District employees are entitled to two personal days, which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the District’s agreements with the various employee unions and included in the current years’ budget.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of Net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$1,831,245.

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, 2015 no liability existed for compensated absences in the proprietary fund types.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 17. Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(12,699,249) existed as of June 30, 2015 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension liability. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and net pension liability that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events that place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 18. Change in Accounting Principle

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

	Governmental Activities
Net Position as previously reported at June 30, 2014	\$52,252,429
Prior period adjustment - Implementation of GASB 68: Net Pension Liability (measurement date as of June 30, 2013)	(11,934,066)
Deferred Outflows – district contributions made during fiscal year 2014	496,242
PERS Pension Payable (2015 district PERS Pension Contribution)	<u>(496,242)</u>
Total prior period adjustment	<u>(11,934,066)</u>
Net Position as restated, July 1, 2014.	<u>\$ 40,318,363</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:					
Local Sources:					
County Appropriations	10-1210	\$ 15,894,974	\$ -	\$ 15,894,974	\$ -
Tuition from LEA's	10-1300	5,961,109	187,805	6,148,914	163,371
Interest Earned on Capital Reserve Funds		4,000	(4,000)	-	1,912
Rents and Royalties	10-1910	100,000	(100,000)	-	-
Use of Facilities	10-1990	-	25,000	25,000	16,730
Other Local Revenue/Miscellaneous:	10-1XXX	162,805	(108,805)	54,000	138,795
Total Local Sources		22,122,888	-	22,122,888	22,364,696
State Sources:					
Categorical Special Education Aid	10-3132	1,162,397	-	1,162,397	-
Equalization Aid	10-3176	13,192,613	-	13,192,613	-
Categorical Security Aid	10-3177	109,496	-	109,496	-
Other State Aids	10-3XXX	41,520	-	41,520	-
On-behalf of TPAF Pension Contributions	10-3901	-	-	-	709,196
On-behalf of TPAF Post-Retirement		-	-	-	1,125,849
Medical Contributions		-	-	-	978,353
Reimbursed TPAF Social Security Contributions (Non-budgeted)	10-3902	-	-	-	978,353
Total State Sources		14,506,026	-	14,506,026	17,319,424
Federal Sources:					
Special Education - Medicaid Initiative	10-4200	13,470	-	13,470	42,766
Special Education - Medicaid Initiative - ARRA	10-4210	-	-	-	7,585
Total Federal Services		13,470	-	13,470	50,351
Total Revenues		36,642,384	-	36,642,384	39,734,471
					3,092,087

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015		POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	FINAL BUDGET	
Expenditures:				
Current Expense:				
Regular Programs - Grade 9-12 Instruction				
Salaries of Teachers	11-140-100-101	5,013,636	5,050,288	5,050,288
Other Purchased Services	11-140-100-500	-	-	-
General Supplies	11-140-100-610	58,500	60,603	58,378
Textbooks	11-140-100-640	55,000	34,487	34,485
Other Objects	11-140-100-800	1,000	377	366
Home Instruction - Regular Programs:				
Salaries of Teachers	11-150-100-101	29,000	2,244	2,244
Other Purchased Services	11-150-100-500	-	3,402	3,402
Other Objects	11-150-100-800	-	-	-
Total Regular Programs - Instruction		5,157,136	5,151,401	5,149,163
Resource Room:				
Salaries of Teachers	11-213-100-101	2,701,388	1,718,949	1,718,949
Other Salaries for Instruction	11-213-100-106	677,151	408,571	408,571
Total Resource Room		3,378,539	2,127,520	2,127,520
Total Special Education		3,378,539	2,127,520	2,127,520
Regular Vocational Programs - Instruction:				
Salaries of Teachers	11-310-100-101	3,435,700	3,723,201	3,723,201
Other Purchased Services	11-310-100-500	-	379	379
General Supplies	11-310-100-610	347,500	587,117	503,836
Textbooks	11-310-100-640	76,700	39,887	39,646
Other Objects	11-310-100-800	13,112	(13,112)	-
Total Regular Vocational Programs - Instruction		3,873,012	4,350,584	4,267,062
Special Vocational Programs - Instruction				
Salaries of Teachers	11-320-100-101	7,500	1,156	1,156
Other Salaries for Instruction	11-320-100-106	392,931	218,781	218,781
General Supplies	11-320-100-610	10,000	4,981	4,981
Textbooks	11-320-100-640	-	-	-
Other Objects	11-320-100-800	-	-	-
Total Special Vocational Programs - Instruction		410,431	224,918	224,918
School Sponsored Cocurricular Activities - Instruction				
Salaries	11-401-100-100	572,257	337,469	337,469
Supplies & Materials	11-401-100-610	56,500	121,793	116,144
Other Objects	11-401-100-800	115,500	(103,872)	11,111
Total School Sponsored Cocurricular Activities		744,257	470,890	464,724

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	JUNE 30, 2015 FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	666,031	(175,897)	490,134	490,134	-
Purchased Services	11-402-100-500	-	23,322	23,322	23,322	-
Supplies & Materials	11-402-100-610	73,500	(19,497)	54,003	52,395	1,608
Other Objects	11-402-100-800	58,000	(16,417)	41,583	39,055	2,528
Total School Sponsored Athletics - Instruction		797,531	(188,489)	609,042	604,906	4,136
Other Instructional Programs - Instruction						
Salaries	11-4XX-100-100	90,500	(63,542)	26,958	26,931	27
Total Other Instructional Programs - Instruction		90,500	(63,542)	26,958	26,931	27
Total Instruction		14,451,406	(1,490,093)	12,961,313	12,865,224	96,089
Undistributed Expenditures:						
Health Services:						
Salaries	11-000-213-100	133,809	(2,963)	130,846	130,846	-
Purchased Professional & Technical Services	11-000-213-330	30,000	(2,278)	27,722	27,674	48
Supplies & Materials	11-000-213-600	11,000	5,496	16,496	16,412	84
Total Health Services		174,809	255	175,064	174,932	132
Other Support Services - Students - Related Services						
Salaries	11-000-216-100	118,332	(37,197)	81,135	81,135	-
Purchased Professional - Educational Services	11-000-216-320	1,000	(537)	463	435	28
Tuition to LEA's	11-000-216-565	-	-	-	-	-
Total Other Support Services - Students - Related - Service:		119,332	(37,734)	81,598	81,570	28
Other Support Services - Students - Regular						
Salaries of Other Professional Staff	11-000-218-104	1,012,651	(9,733)	1,002,918	1,002,918	-
Salaries of Secretarial & Clerical	11-000-218-105	170,279	(9,281)	160,998	160,998	-
Other Purchased Services	11-000-218-500	2,000	(1,438)	562	524	38
Supplies & Materials	11-000-218-600	3,000	(2,649)	351	343	8
Other Objects	11-200-218-800	5,000	10,204	15,204	15,188	16
Total Other Support Services - Students - Regular		1,192,930	(12,897)	1,180,033	1,179,971	62

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	JUNE 30, 2015 FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Support Services - Students - Special Services						
Salaries of Other Professional Staff	11-000-219-104	919,289	(8,493)	910,796	910,796	-
Salaries of Secretarial & Clerical	11-000-219-105	113,079	4,823	117,902	117,902	-
Purchase Professional - Educational Services	11-000-219-320	100,000	234,119	334,119	331,353	2,766
Other Purchased Professional & Technical Services	11-000-219-390	8,000	(5,044)	2,956	2,825	131
Other Purchased Services	11-000-219-500	6,000	(5,966)	34	33	1
Supplies & Materials	11-000-219-600	49,894	15,587	65,481	65,439	42
Other Objects	11-000-219-800	49,895	(40,695)	9,200	9,200	-
Total Other Support Services - Students - Special Services:		1,246,157	194,331	1,440,488	1,437,548	2,940
Improvement of Instructional Services						
Salaries - Supervisor of Instruction	11-000-221-102	388,838	(237,141)	151,697	151,697	-
Salaries of Secretarial & Clerical	11-000-221-105	205,462	(205,462)	-	-	-
Other Purchased Professional & Technical Services	11-000-221-390	60,595	(10,208)	50,387	49,995	392
Other Purchased Services	11-000-221-500	7,380	(7,080)	300	286	14
Supplies & Materials	11-000-221-600	43,400	(14,904)	28,496	28,045	451
Other Objects	11-000-221-800	52,568	(29,973)	22,595	22,588	7
Total Improvement of Instructional Services:		758,243	(504,768)	253,475	252,611	864
Educational Media Services/School Library						
Salaries	11-000-222-100	119,355	(1,544)	117,811	117,811	-
Other Purchased Services	11-000-222-500	4,000	1,005	5,005	5,005	-
Supplies & Materials	11-000-222-600	25,500	(2,759)	22,741	22,679	62
Other Objects	11-000-222-800	2,000	170	2,170	2,170	-
Total Educational Media Services/School Library:		150,855	(3,128)	147,727	147,665	62
Instructional Staff Training Services:						
Salaries	11-000-223-100	-	4,807	4,807	4,807	-
Purchased Professional - Educational Services	11-000-223-320	900	12,219	13,119	13,119	-
Other Purchased Professional & Technical Services	11-000-223-390	9,500	(227)	9,273	9,073	200
Other Purchased Services	11-000-223-500	7,318	(6,692)	626	605	21
Total Instructional Staff Training Services:		17,718	10,107	27,825	27,604	221
Support Services General Administration						
Salaries	11-000-230-100	78,856	107,560	186,416	186,416	-
Legal Services	11-000-230-331	75,000	52,326	127,326	127,317	9
Audit Services	11-000-230-332	55,000	(1,550)	53,450	53,450	-
Purchased Technical Services	11-000-230-340	-	10,519	10,519	10,519	-
Communications/Telephone	11-000-230-550	50,000	(30,950)	19,050	17,124	1,926
BOE Other Purchased Services	11-000-230-585	7,000	(4,265)	2,735	2,734	1
General Supplies	11-000-230-610	8,530	17,456	25,986	25,444	542
Miscellaneous Expenditures	11-000-230-890	29,736	20,227	49,963	49,785	178
Total Support Services General Administration:		304,122	171,323	475,445	472,789	2,656

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015		POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	FINAL BUDGET	
Support Services School Administration:				
Salaries of Principals & Assistant Principals	11-000-240-103	604,925	992,574	992,574
Salaries of Secretarial & Clerical Assistants	11-000-240-105	466,722	628,091	628,091
Other Salaries	11-000-240-110	64,800	47,404	47,404
Outside Workshops	11-000-240-390	-	1,400	1,400
Other Purchased Services	11-000-240-500	5,000	8,259	8,258
Supplies & Materials	11-000-240-600	60,553	112,868	104,070
Other Objects	11-000-240-800	132,464	136,744	136,156
Total Support Services School Administration		1,334,464	1,927,340	1,917,953
Central Services:				
Salaries	11-000-251-100	528,855	771,462	771,462
Other Purchased Professional Services	11-000-251-330	160,000	109,866	106,902
Purchased Technical Services	11-000-251-340	35,000	54,785	44,298
Supplies and Materials	11-000-251-600	100,200	69,265	57,363
Interest on Current Loans	11-000-251-831	-	7,100	7,042
Shared Service Agreement - County Board of Freeholders	11-000-251-897	2,000,000	2,000,000	2,000,000
Total Central Services		2,824,055	3,012,478	2,987,067
Information Technology:				
Salaries	11-000-252-100	185,356	48,134	48,134
Purchased Technical Services	11-000-252-340	377,080	461,507	455,828
Communications	11-000-252-530	147,000	170,829	170,828
General Supplies	11-000-252-610	17,887	433,172	369,374
Miscellaneous Expenditures	11-000-252-800	23,206	(22,192)	1,014
Total Information Technology Services:		750,529	1,114,656	1,045,178
Operation & Maintenance of Plant:				
Required Maintenance for School Facilities				
Salaries	11-000-261-100	131,186	(3,003)	128,183
Cleaning, Repair & Maintenance Services	11-000-261-420	195,609	341,134	282,124
General Supplies	11-000-261-610	108,996	264,975	256,346
Other Objects	11-000-261-800	147,564	(113,803)	30,509
Total Allowable Maintenance for School Facilities:		583,355	768,053	70,891

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	JUNE 30, 2015 FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Operation & Maintenance of Plant	11-000-262-100	1,839,150	(90,089)	1,749,061	1,749,061	-
Salaries						
Cleaning, Repair & Maintenance Services	11-000-262-420	67,668	(47,450)	20,218	19,642	576
Other Purchased Property Services	11-000-262-490	100,000	-	100,000	100,000	-
Insurance	11-000-262-520	739,000	(44,312)	694,688	694,688	-
General Supplies	11-000-262-610	99,783	52,628	152,411	152,097	314
Energy (Natural Gas)	11-000-262-621	200,000	(34,614)	165,386	154,280	11,106
Energy (Electric)	11-000-262-622	1,785,293	(145,654)	1,639,639	1,639,069	570
Other Objects	11-000-262-800	63,111	(53,911)	9,200	8,870	330
Total Other Operation & Maintenance of Plant		4,894,005	(363,402)	4,530,603	4,517,707	12,896
Security						
Salaries	11-000-266-100	79,772	209,134	288,906	288,499	407
Purchased Professional & Technical Services	11-000-266-300	215,000	(10,810)	204,190	204,190	-
General Supplies	11-000-266-600	-	17,860	17,860	16,058	1,802
Total Security		294,772	216,184	510,956	508,747	2,209
Total Operation & Maintenance of Plant		5,772,132	37,480	5,809,612	5,723,616	85,996
Student Transportation Services:						
Salaries for Pupil Transportation - (Other Than Between Home & School)	11-000-270-162	62,000	118,745	180,745	180,745	-
Contracted Services - (Other Than Between Home & School) Vendors	11-000-270-512	170,000	(122,204)	47,796	46,324	1,472
Total Student Transportation Services		232,000	(3,459)	228,541	227,069	1,472
Allocated Benefits:						
Regular Programs - Instruction - Employee Benefits	11-1xx-100-270	1,049,995	(1,049,995)	-	-	-
Health Benefits						
Special Programs - Instruction - Employee Benefits	11-2xx-100-270	1,176,946	(1,176,946)	-	-	-
Health Benefits						
Vocational Programs - Instruction - Employee Benefits	11-3xx-100-270	786,859	(786,859)	-	-	-
Health Benefits						
Other Instructional Programs - Instruction - Employee Benefits	11-4xx-100-270	24,816	(24,816)	-	-	-
Health Benefits						
Health Services - Employee Benefits	11-000-213-270	32,683	(32,683)	-	-	-
Health Benefits						
Other Support Services - Students - Regular - Employee Benefits	11-000-218-270	204,515	(204,515)	-	-	-
Health Benefits						
Other Support Services - Student - Special Ed -Employee Benefits	11-000-219-270	201,519	(201,519)	-	-	-
Health Benefits						

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015		POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	FINAL BUDGET	
Improvement of Instruction Services - Employee Benefits Health Benefits	11-000-221-270	118,343	(118,343)	-
Educational Media Services - School Library - Employee Benefits Health Benefits	11-000-222-270	33,282	(33,282)	-
Support Services - General Administration - Employee Benefits Health Benefits	11-000-230-270	16,487	(16,487)	-
Support Services - School Administration - Employee Benefits Health Benefits	11-000-240-270	252,917	(252,917)	-
Support Services - Central Services - Employee Benefits Health Benefits	11-000-251-270	170,407	(170,407)	-
Support Services - Admin. Information Technology Health Benefits	11-000-252-270	14,812	(14,812)	-
Other Operations & Maintenance of Plant - Employee Benefits Health Benefits	11-000-260-270	701,111	(701,111)	-
Total Allocated Benefits		4,784,692	(4,784,692)	-
Unallocated Benefits - Employee Benefits				
Social Security	11-000-291-220	625,000	(104,149)	520,851
Other Retirement Contributions	11-000-291-241	650,000	(152,757)	497,243
Unemployment Compensator	11-000-291-250	200,000	(200,000)	-
Health Benefits	11-000-291-270	145,000	4,321,490	4,466,486
Tuition Reimbursements	11-000-291-280	150,000	(127,100)	22,882
Interest Expense on Short Term Note	11-000-291-831	-	-	-
Total Unallocated Benefits		1,770,000	3,737,484	5,507,484
Total Personal Services - Employee Benefits		6,554,692	(1,047,208)	5,507,484
Nonbudgeted:				
On-Behalf TPAF Pension Contributor		-	-	709,196
On-Behalf TPAF Post-Retirement Medical Contribution:		-	-	1,125,849
Reimbursed TPAF Social Security Contributions		-	-	978,353
Total Undistributed Expenditures		21,432,038	(50,272)	21,381,766
				23,996,374
Total Expenditures - Current Expense		35,883,444	(1,540,365)	34,343,079
				36,861,598
				(2,518,519)

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	JUNE 30, 2015 FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Capital Outlay:						
Increase in Capital Reserve	10-604-000-000	227,911	259,089	487,000	-	487,000
Interest Deposit to Capital Reserve	10-604-000-000	4,000	-	4,000	-	4,000
Equipment:						
Grades 9-12	12-140-100-730	-	-	-	-	-
Vocational Programs - Regular	12-310-100-730	10,000	42,751	52,751	37,964	14,787
Programs						
Undistributed Expenditures:						
Nurses Equipment	12-000-213-730	-	2,225	2,225	2,225	-
General Administration	12-000-230-730	-	-	-	-	-
Information Technology	12-000-252-730	-	34,808	34,808	34,808	-
Building & Grounds	12-000-260-730	-	-	-	-	-
Required Maintenance for School Facilities:						
Security	12-000-261-730	60,000	81,164	141,164	38,294	102,870
School Vehicles	12-000-266-730	309,496	380,372	689,868	239,000	450,868
Other Support Services Equipment	12-000-270-730	-	158,173	158,173	105,170	53,003
Other Support Services	12-000-290-730	-	27,200	27,200	27,200	-
Contribution for County Debt Service	12-000-510-900	-	-	-	-	-
Total Equipment		611,407	985,782	1,597,189	484,661	1,112,528
Facilities Acquisition & Construction Services						
Construction Services	12-000-400-450	-	1,151,799	1,151,799	370,769	781,030
Architectural/Engineering Services	12-000-400-334	90,000	(41,713)	48,287	8,078	40,209
Assessment for Debt Service on SDA Funding	12-000-400-896	236,013	-	236,013	236,013	-
Total Facilities Acquisition & Construction Service:		326,013	1,110,086	1,436,099	614,860	821,239
Total Capital Outlay		937,420	2,095,868	3,033,288	1,099,521	1,933,767
General Fund Grand Total Expenditures		36,820,864	555,503	37,376,367	37,961,119	(584,752)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(178,480)	(555,503)	(733,983)	1,773,352	2,507,335
Other Financing Sources/(Uses)						
Transfer from Other Funds	12-000-400-931	178,480	-	178,480	50,470	(128,010)
Transfer to Capital Projects		-	-	-	-	-
Total Other Financing Sources/(Uses)		178,480	-	178,480	50,470	(128,010)

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBERS	JUNE 30, 2015		ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS		
	4,802,447	(555,503)	1,823,822	2,379,325
	4,802,447	4,802,447	4,802,447	-
	<u>\$ 4,802,447</u>	<u>\$ (555,503)</u>	<u>\$ 6,626,269</u>	<u>\$ 2,379,325</u>

Excess/(Deficiency) of Revenues & Other Financing Sources/(Uses
Over/(Under) Expenditures & Other Financing Uses:
Fund Balances, July 1

Fund Balances, June 30

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 581,563
Cancellation of Prior Year Encumbrances	<u>(26,060)</u>
Total Budget Transfers	<u>\$ 555,503</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 2,900,439
Excess Surplus Designated for Subsequent Year's Expenditure:	121,053
Assigned Fund Balance:	
ARRA - Special Education - Medicaid Initiative	7,585
Year-end Encumbrances	1,593,519
Unassigned Fund Balance	<u>2,003,673</u>
Subtotal	<u>6,626,269</u>
Reconciliation to Governmental Fund Statements (GAAP)	
Last Two State Aid Payments Not Recognized on GAAP Basis:	<u>(1,425,199)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 5,201,070</u>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
State Sources	\$ -	\$ 19,000	\$ 19,000	\$ 19,000	\$ -
Federal Sources	811,201	660,664	1,471,865	1,471,865	-
Total Revenues	811,201	679,664	1,490,865	1,490,865	-
EXPENDITURES:					
Instruction:					
Salaries of Teachers	381,000	430,295	811,295	811,295	-
Instruction Purchased Services	-	-	-	-	-
General Supplies	385,014	(90,956)	294,058	294,058	-
Other Objects	-	7,295	7,295	7,295	-
Total Instruction	766,014	346,634	1,112,648	1,112,648	-
Support Services:					
Salaries	-	16,500	16,500	16,500	-
Personal Services - Employee Benefits	45,187	72,051	117,238	117,238	-
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	36,420	36,420	36,420	-
Supplies & Materials	-	1,500	1,500	1,500	-
Total Support Services	45,187	126,471	171,658	171,658	-
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	206,559	206,559	206,559	-
Total Facilities Acquisition & Construction Services	-	206,559	206,559	206,559	-
Total Expenditures	811,201	679,664	1,490,865	1,490,865	-
Total Outflows	811,201	679,664	1,490,865	1,490,865	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 39,734,471	\$ 1,490,865
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,421,971	-
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP, which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(1,425,199)	-
	\$ 39,731,243	\$ 1,490,865
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
	\$ 39,731,243	\$ 1,490,865
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 37,961,119	\$ 1,490,865
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	-
	-	-
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)		
	\$ 37,961,119	\$ 1,490,865

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.06020%	0.06244%
District's proportionate share of the net pension liability (asset)	\$ 11,270,221	\$ 11,934,066
District's covered-employee payroll	\$ 4,399,282	\$ 4,152,325
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	256.18%	287.41%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 545,330	\$ 496,242
Contributions in relation to the contractually required contribution	<u>545,330</u>	<u>496,242</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,399,282	\$ 4,152,325
Contributions as a percentage of covered- employee payroll	12.40%	11.95%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.14176%	0.15386%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 75,768,194	\$ 77,761,685
District's covered-employee payroll	\$ 13,172,559	\$ 13,063,198
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

Teachers Pension and Annuity Fund (TPAF)

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

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

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

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	TITLE I	TITLE II PART A	IDEA PART B
Revenues:			
Federal Sources	\$ 541,194	\$ 48,546	\$ 494,158
State Sources	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	<u>\$ 541,194</u>	<u>\$ 48,546</u>	<u>\$ 494,158</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 287,806	\$ 29,331	\$ 494,158
Instruction Purchased Services	-	-	-
General Supplies	121,095	-	-
Other Objects	-	-	-
	<hr/>	<hr/>	<hr/>
Total Instruction	<u>408,901</u>	<u>29,331</u>	<u>494,158</u>
Support Services:			
Salaries	-	-	-
Personal Services -			
Employee Benefits	107,262	9,976	-
Purchased Professional -			
Educational Services	-	-	-
Other Purchased Services			
(400-500 Series)	25,031	9,239	-
Supplies & Materials	-	-	-
	<hr/>	<hr/>	<hr/>
Total Support Services	<u>132,293</u>	<u>19,215</u>	<u>-</u>
Facilities Acquisition & Construction			
Services:			
Instructional Equipment	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 541,194</u>	<u>\$ 48,546</u>	<u>\$ 494,158</u>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	PERKINS SECONDARY	PERKINS POST SECONDARY	APPRENTICE COORDINATOR	2015
Revenues:				
Federal Sources	\$ 281,811	\$ 106,156	\$ -	\$ 1,471,865
State Sources	-	-	19,000	19,000
	<hr/>			
Total Revenues	\$ 281,811	\$ 106,156	\$ 19,000	\$ 1,490,865
	<hr/>			
Expenditures:				
Instruction:				
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 811,295
Instruction Purchased Services				-
General Supplies	116,690	56,273	-	294,058
Other Objects	7,295	-	-	7,295
	<hr/>			
Total Instruction	123,985	56,273	-	1,112,648
	<hr/>			
Support Services:				
Salaries	-	-	16,500	16,500
Personal Services - Employee Benefits	-	-	-	117,238
Purchased Professional - Educational Services	-	-	-	-
Other Purchased Services (400-500 Series)	1,150	-	1,000	36,420
Supplies & Materials	-	-	1,500	1,500
	<hr/>			
Total Support Services	1,150	-	19,000	171,658
	<hr/>			
Facilities Acquisition & Construction Services:				
Instructional Equipment	156,676	49,883	-	206,559
	<hr/>			
Total Expenditures	\$ 281,811	\$ 106,156	\$ 19,000	\$ 1,490,865
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F. Capital Projects Fund

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES FOR MANAGED CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2015**

PROJECT TITLE	DATE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2015
			PRIOR YEARS	CURRENT YEAR	
Reroofing of Medford Campus	01/06/2014	\$ 2,059,377	\$ 286,467	\$ 1,211,130	\$ 561,780
			Total \$ 286,467	\$ 1,211,130	\$ 561,780

Reconciliation - Unexpended Capital Project
Balances to Fund Balance - June 30, 2015:

Unexpended Project Balances June 30, 2015	\$ 561,780
Less:	
Unexpended State Aid - ROD Grants	<u>(224,712)</u>
Total Fund Balance (GAAP Basis) - June 30, 2015	<u>\$ 337,068</u>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Expenditures:	
Construction Services	<u>\$ 1,211,130</u>
Total Expenditures	<u>1,211,130</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,211,130)
Fund Balance - Beginning	<u>1,772,910</u>
Fund Balance - Ending	<u><u>\$ 561,780</u></u>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
REROOFING OF MEDFORD CAMPUS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 823,751	\$ -	\$ 823,751	\$ 823,751
Transfer from General Fund	1,235,626	-	1,235,626	1,235,626
Total Revenues	2,059,377		2,059,377	2,059,377
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	199,871	-	199,871	199,871
Construction Services	86,596	1,211,130	1,297,726	1,859,506
Total Expenditures	286,467	1,211,130	1,497,597	2,059,377
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 1,772,910	\$ (1,211,130)	\$ 561,780	\$ -

Additional Project Information:

Project Number	0610-040-13-1001
Grant Date	
Bond Authorization Date	N/A
Bonds Authorization	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 2,059,377
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 2,059,377
Percentage Increase Over Original Authorized Cost	
Percentage Completion	72.72%
Original Target Completion Date	06/26/14
Revised Target Completion Date	06/30/15

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G. Proprietary Funds

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Enterprise Funds

This section has been included on Exhibit B-4, B-5 & B-6

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE		AGENCY FUNDS		TOTAL 2015
	UNEMPLOYMENT COMPENSATION INSURANCE	STUDENT ACTIVITY	PAYROLL		
Assets:					
Cash & Cash Equivalents	\$ 744,615	\$ 207,294	\$ 157,336		\$ 1,109,245
Total Assets	744,615	207,294	157,336		1,109,245
LIABILITIES					
Liabilities:					
Unemployment Claims Payable	8,756	-	-		8,756
Interfund	-	-	6,388		6,388
Payroll Deductions & Withholdings	-	-	150,948		150,948
Accounts Payable	-	11,762	-		11,762
Due to Student Groups	-	195,532	-		195,532
Total Liabilities	8,756	207,294	157,336		373,386
NET POSITION					
Restricted	735,859	-	-		735,859
Total Net Position	\$ 735,859	\$ -	\$ -		\$ 735,859

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2015**

	<u>PRIVATE PURPOSE</u>	
	UNEMPLOYMENT COMPENSATION INSURANCE	TOTAL 2015
Additions:		
Local Sources:		
Employee Salary Deductions	\$ 69,246	\$ 69,246
	<hr/>	<hr/>
Total Operating Revenues	69,246	69,246
	<hr/>	<hr/>
Other Sources:		
Interest on Investments	745	745
	<hr/>	<hr/>
Total Additions	69,991	69,991
	<hr/>	<hr/>
Deductions:		
Unemployment Compensation Insurance Claims	84,164	84,164
	<hr/>	<hr/>
Change in Net Position	(14,173)	(14,173)
Net Position, July 1	750,032	750,032
	<hr/>	<hr/>
Net Position, June 30	\$ 735,859	\$ 735,859
	<hr/> <hr/>	<hr/> <hr/>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
Westampton Campus	\$ 71,936	\$ 238,180	\$ 184,866	\$ 125,250
Medford Campus	67,926	175,938	161,820	82,044
	<hr/>			
Total Student Activity	\$ 139,862	\$ 414,118	\$ 346,686	\$ 207,294
	<hr/> <hr/>			

**PAYROLL FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DISBURSEMENTS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 286,604	\$ 37,044,097	\$ 37,173,365	\$ 157,336
	<hr/>			
Total Assets	\$ 286,604	\$ 37,044,097	\$ 37,173,365	\$ 157,336
	<hr/> <hr/>			
LIABILITIES				
Payroll Deductions & Withholdings	\$ 282,357	\$ 23,677,868	\$ 23,809,277	\$ 150,948
Due to General Fund	4,247	2,141	-	6,388
Net Payroll	-	13,364,088	13,364,088	-
	<hr/>			
Total Liabilities	\$ 286,604	\$ 37,044,097	\$ 37,173,365	\$ 157,336
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I. Long-Term Debt

Not Applicable

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STATISTICAL SECTION (Unaudited)

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Net Investment in Capital Assets	\$ 48,634,698	\$ 46,238,987	\$ 48,753,045	\$ 49,607,466	\$ 49,771,810	\$ 50,971,703	\$ 51,282,168	\$ 55,832,472	\$ 56,946,423	\$ 56,535,100
Restricted	4,959,664	3,677,889	2,730,958	1,402,644	1,465,295	897,677	1,570,540	718,480	700,212	2,184,263
Unrestricted	(13,203,076)	(664,447)	(776,970)	(728,879)	(828,559)	(1,373,550)	(803,548)	462,793	195,543	(84,457)
Total Governmental Activities	\$ 40,391,286	\$ 49,252,429	\$ 50,707,033	\$ 50,281,231	\$ 50,408,546	\$ 50,495,830	\$ 52,049,160	\$ 57,013,745	\$ 57,842,178	\$ 58,634,906
Business-Type Activities:										
Net Investment in Capital Assets	\$ 10,048	\$ 11,484	\$ 12,920	\$ 14,356	\$ -	\$ -	\$ -	\$ 214,087	\$ 173,382	\$ 180,481
Unrestricted	812,121	1,164,659	1,399,848	1,362,480	1,255,691	1,020,181	839,025	717,217	446,959	191,257
Total Business-Type Activities	\$ 822,169	\$ 1,176,143	\$ 1,412,768	\$ 1,376,836	\$ 1,255,691	\$ 1,020,181	\$ 839,025	\$ 931,304	\$ 620,341	\$ 371,738
District-Wide:										
Net Investment in Capital Assets	\$ 48,644,746	\$ 49,250,471	\$ 48,765,965	\$ 49,621,822	\$ 49,771,810	\$ 50,971,703	\$ 51,282,168	\$ 56,046,559	\$ 57,119,805	\$ 56,715,581
Restricted	4,959,664	3,677,889	2,730,958	1,402,644	1,465,295	897,677	1,570,540	718,480	700,212	2,184,263
Unrestricted	(12,390,955)	500,212	622,878	633,601	427,132	(353,369)	35,477	1,180,010	642,502	106,800
Total District Net Position	\$ 41,213,455	\$ 53,428,572	\$ 52,119,801	\$ 51,658,067	\$ 51,664,237	\$ 51,516,011	\$ 52,888,185	\$ 57,945,049	\$ 58,462,519	\$ 59,006,644

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 6,261,811	\$ 6,371,951	\$ 6,720,320	\$ 6,648,185	\$ 6,048,729	\$ 5,853,212	\$ 6,133,778	\$ 6,315,255	\$ 6,189,998	\$ 5,441,770
Special	2,127,520	-	-	121,124	67,646	92,558	79,247	92,118	95,502	112,656
Other Special Educational Instruction	-	-	-	9,557	7,782	9,185	7,610	8,223	7,548	6,920
Vocational	4,491,980	7,475,403	7,101,317	7,481,269	8,184,758	8,217,224	8,014,830	7,865,784	7,961,201	7,350,459
Other	1,096,561	1,335,352	1,357,943	1,325,872	1,396,972	1,350,422	1,336,051	1,371,038	1,354,148	1,225,380
Support Services:										
Student & Instruction Related Services	3,356,321	3,132,509	2,817,240	3,003,258	2,996,133	3,397,079	2,823,190	2,885,354	2,819,298	2,721,601
Other Administrative Services	472,789	673,373	691,287	711,855	949,840	1,007,380	920,625	1,039,938	981,430	1,176,286
School Administrative Services	5,950,198	2,861,090	2,709,515	3,112,514	2,620,947	3,188,396	2,385,401	2,855,754	2,544,390	2,059,738
Plant Operations & Maintenance	5,723,616	5,652,374	5,043,336	5,101,692	5,269,878	5,402,894	5,557,227	5,279,888	5,062,896	4,417,076
Student Transportation	227,069	224,603	175,302	215,929	230,354	221,492	199,452	270,847	195,439	224,604
Business & Other Support Services	-	-	-	-	-	-	677,369	766,148	724,514	758,940
Employee Benefits	11,822,122	8,177,642	8,540,689	8,628,082	7,677,745	7,570,659	7,522,547	7,930,367	7,870,774	6,044,834
Special Schools	-	-	-	-	1,203	1,589,483	1,812,123	1,913,351	1,851,357	1,718,914
Contribution for County Debt Service	236,013	2,236,013	2,153,063	2,011,529	191,780	1,200,000	-	-	-	-
Increase In Compensated Absences	400,465	48,091	53,826	(47,604)	(65,509)	12,438	402,392	-	-	-
Adjustment To Fixed Assets	-	-	(24,132)	(788,067)	-	-	-	-	-	-
Unallocated Depreciation	2,885,486	947,855	2,562,851	2,439,823	2,285,883	2,285,883	2,285,883	-	-	-
Total Governmental Activities Expenses	45,051,951	39,136,256	39,902,557	39,975,018	37,864,141	41,398,305	40,157,725	38,594,065	37,658,495	33,259,178
Business-Type Activities:										
Food Service	1,261,877	915,279	834,659	882,459	838,445	831,888	851,636	778,532	731,346	711,212
School Store	-	49,515	59,256	74,601	37,100	50,282	100,595	96,960	180,507	158,500
Adult Education Programs	1,295,334	1,122,879	1,484,265	964,201	1,109,821	719,227	852,612	888,940	865,226	791,302
Culinary Arts	-	113,983	99,065	78,759	98,829	81,379	96,542	133,701	151,430	166,069
Beaver's Den Child Care	185,651	151,021	145,780	170,893	163,530	139,586	166,537	176,509	150,221	142,763
Educational Technology Training Center	-	-	-	-	44,728	30,037	27,896	28,360	38,343	91,814
Youth Transition to Work	-	-	-	414	-	-	19,677	20,197	30,191	6,695
Emergency Services Training Center	-	-	-	566	-	115	-	-	450	417
Culinary Express	-	104,656	114,321	124,813	125,814	134,367	134,909	122,331	127,377	115,867
Print Shop	-	13,863	7,061	3,051	4,877	-	-	-	-	-
Auto Body	-	23,318	5,545	1,159	144	651	-	5,066	4,283	-
Engineering	-	4,315	4,683	-	-	-	-	-	-	-

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Business-Type Activities Expense	2,742,862	2,498,829	2,754,635	2,300,916	2,423,288	1,987,532	2,250,404	2,250,596	2,279,374	2,184,639
Total District Expenses	\$ 47,794,813	\$ 41,635,085	\$ 42,657,192	\$ 42,275,934	\$ 40,287,429	\$ 43,385,837	\$ 42,408,129	\$ 40,844,661	\$ 39,937,869	\$ 35,443,817
Revenues:										
Operating Grants & Contributions	\$ 7,465,548	\$ 2,942,819	\$ 3,115,319	\$ 3,996,594	\$ 3,291,743	\$ 3,592,102	\$ 3,528,468	\$ 4,524,815	\$ 4,348,433	\$ 3,146,895
Total Governmental Activities Program Revenues	7,465,548	2,942,819	3,115,319	3,996,594	3,291,743	3,592,102	3,528,468	4,524,815	4,348,433	3,146,895
Business-Type Activities:										
Charges for Services:										
Food Service	694,103	438,969	403,138	448,885	483,537	488,583	504,109	464,391	453,416	478,274
School Store	-	50,131	58,481	62,333	53,908	61,846	70,468	115,009	198,579	172,096
Adult Education Program	1,062,453	885,999	1,459,380	1,107,702	1,279,043	701,108	1,052,022	1,153,621	1,125,955	1,322,128
Culinary Arts	-	96,402	90,206	71,260	85,056	85,922	108,320	164,380	157,247	134,186
Beaver's Den Child Care	173,953	175,079	169,976	148,224	157,930	158,023	162,068	187,185	164,978	136,065
Educational Technology Training Center	-	-	-	-	3,926	5,483	13,504	13,910	19,247	38,290
Youth Transitions to Work	-	-	-	-	-	-	-	-	2,050	500
Emergency Services Training Center:										
Food Services	-	-	-	-	-	-	-	-	17,450	1,097
Culinary Express	-	94,976	103,311	132,050	127,872	145,097	139,154	157,763	120,601	104,991
Print Shop	-	19,184	6,461	5,847	13,544	-	-	-	-	-
Auto Body	-	21,852	5,110	150	1,836	-	-	-	10,000	-
Engineering	-	4,524	3,071	2,000	-	-	-	-	-	-
Operating Grants:										
Food Service	508,849	475,088	491,433	441,529	390,207	322,626	322,565	305,299	258,454	257,357
Total Business Type Activities Program Revenues	2,439,358	2,262,204	2,790,567	2,419,980	2,596,859	1,968,688	2,372,210	2,561,558	2,527,977	2,644,984
Total District Program Revenues	\$ 9,904,906	\$ 5,205,023	\$ 5,905,886	\$ 6,416,574	\$ 5,888,602	\$ 5,560,790	\$ 5,900,678	\$ 7,086,373	\$ 6,876,410	\$ 5,791,879

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net/(Expense)/Revenue:										
Governmental Activities	\$ (37,586,403)	\$ (36,193,437)	\$ (36,787,238)	\$ (35,978,424)	\$ (34,572,398)	\$ (37,806,203)	\$ (36,629,257)	\$ (34,069,250)	\$ (33,310,062)	\$ (30,112,283)
Business-Type Activities	(303,504)	(236,625)	35,932	119,064	173,571	(18,844)	121,806	310,962	248,603	460,345
Total District-Wide Net Expense	\$ (37,889,907)	\$ (36,430,062)	\$ (36,751,306)	\$ (35,859,360)	\$ (34,398,827)	\$ (37,825,047)	\$ (36,507,451)	\$ (33,758,288)	\$ (33,061,459)	\$ (29,651,938)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
County Appropriations	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,821	\$ 15,894,974	\$ 15,870,380
Unrestricted Grants & Contributions	15,244,160	15,683,915	15,327,183	14,318,309	13,585,336	15,201,244	13,970,569	12,181,555	11,738,553	11,706,432
Tuition Received	6,312,285	6,132,240	5,934,600	5,552,872	4,892,500	5,267,704	5,157,845	5,182,131	4,716,321	4,025,197
Investment Earnings	4,826	4,826	14,990	-	-	19,081	28,719	62,726	128,943	101,599
Miscellaneous Income	203,081	22,878	41,293	66,627	112,304	58,333	163,786	71,305	75,568	45,529
Other Financing Sources - Transfers, Miscellaneous / Other	-	-	-	18,327	-	(188,463)	(3,551,222)	(151,720)	(37,024)	(67,066)
Total Governmental Activities	37,659,326	37,738,833	37,213,040	35,851,109	34,485,114	36,252,873	31,664,671	33,240,818	32,517,335	31,682,071
Business-Type Activities	(50,470)	-	-	2,081	61,939	200,000	(214,087)	-	-	(30,216)
Total District-Wide	\$ 37,608,856	\$ 37,738,833	\$ 37,213,040	\$ 35,853,190	\$ 34,547,053	\$ 36,452,873	\$ 31,450,584	\$ 33,240,818	\$ 32,517,335	\$ 31,651,855
Change in Net Position:										
Governmental Activities	\$ 72,923	\$ 1,545,396	\$ 425,802	\$ (127,315)	\$ (87,284)	\$ (1,553,330)	\$ (4,964,586)	\$ (828,432)	\$ (792,727)	\$ 1,569,788
Business-Type Activities	(353,974)	(236,625)	35,932	121,145	235,510	181,156	(92,281)	310,962	248,603	430,129
Total District	\$ (281,051)	\$ 1,308,771	\$ 461,734	\$ (6,170)	\$ 148,226	\$ (1,372,174)	\$ (5,056,867)	\$ (517,470)	\$ (544,124)	\$ 1,999,917

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Restricted	\$ 3,021,492	\$ 2,032,580	\$ 1,910,267	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	1,601,104	581,563	820,691	857,547	1,420,198	852,580	1,510,668	505,835	239,029	253,096
Unassigned	578,474	766,333	605,719	599,984	547,908	68,426	625,990	1,568,047	1,419,507	1,178,985
Total General Fund	\$ 5,201,070	\$ 3,380,476	\$ 3,336,677	\$ 1,957,531	\$ 1,968,106	\$ 921,006	\$ 2,136,658	\$ 2,073,882	\$ 1,658,536	\$ 1,432,081
All Other Governmental Funds:										
Restricted	\$ 337,068	\$ 1,063,746	\$ -	\$ -	\$ -	\$ -	\$ 8,610	\$ 78,921	\$ 237,492	\$ 883,561
Assigned, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	(18,108)	(4,408)	(4,409)
Capital Project Fund	-	-	-	45,097	45,097	45,097	51,262	73,724	322,798	987,606
Total All Other Governmental Funds	\$ 337,068	\$ 1,063,746	\$ -	\$ 45,097	\$ 45,097	\$ 45,097	\$ 59,872	\$ 134,537	\$ 555,882	\$ 1,866,758

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
County Appropriations	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,821	\$ 15,894,974	\$ 15,870,380
Tuition from LEA's	6,312,285	6,132,240	5,934,600	5,552,872	4,892,500	4,534,530	4,413,200	4,525,400	3,944,000	3,407,400
Other Tuition	-	-	-	-	-	733,174	744,645	656,731	772,321	617,797
Miscellaneous	157,437	27,704	101,380	66,627	112,304	77,414	192,505	134,030	204,511	147,128
State Sources	17,819,648	17,187,250	17,119,177	16,209,113	15,438,042	14,560,585	15,979,724	15,399,131	14,655,624	13,667,939
Federal Sources	1,522,216	1,439,484	1,323,325	2,105,790	1,439,037	4,232,761	1,519,313	1,307,239	1,431,361	1,185,388
Total Revenue	41,706,560	40,681,652	40,373,456	39,829,376	37,776,857	40,033,438	38,744,361	37,917,352	36,902,791	34,896,032
Expenditures:										
Instruction:										
Regular Instruction	6,261,811	6,371,951	6,720,320	6,648,185	6,048,729	5,853,212	6,133,778	5,975,210	5,985,249	5,328,822
Special Education Instruction	2,127,520	-	-	-	-	-	-	-	-	-
Basic Skills/Remedial	-	-	-	121,124	67,646	92,558	79,247	87,158	92,343	110,317
Bilingual Education	-	-	-	9,557	7,782	9,185	7,610	7,780	7,298	6,777
Vocational	4,491,980	7,475,403	7,101,317	7,481,269	8,184,758	8,217,224	8,014,830	7,442,251	7,697,866	7,197,895
School - Sponsored/Other Instructional	1,096,561	1,335,352	1,357,943	1,325,872	1,396,972	1,350,422	1,336,051	1,297,215	1,309,356	1,199,946
Support Services:										
Student & Instruction Related										
Services	3,356,321	3,132,509	2,817,240	3,003,258	2,996,133	3,397,079	2,823,190	2,729,992	2,726,044	2,665,112
General Administration	472,789	673,373	691,287	711,855	949,840	1,007,380	920,625	983,943	948,967	1,081,313
School Administration	5,950,198	2,861,090	2,709,515	3,112,514	2,620,947	3,188,396	2,385,401	2,701,986	2,460,228	2,087,545
Plant Operations & Maintenance	5,723,616	5,652,374	5,043,336	5,101,692	5,269,878	5,402,894	5,557,227	4,995,592	4,895,429	4,325,396
Student Transportation	227,069	224,603	175,302	215,929	230,354	221,492	199,452	256,264	188,974	219,942
Business & Other Support										
Services	-	-	-	-	-	-	-	-	-	-
Employee Benefits	8,438,039	8,177,642	8,540,689	8,628,082	7,677,745	7,570,659	7,522,547	7,779,176	7,494,758	5,783,540

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenditures (continued):										
County Contribution	236,013	2,236,013	2,153,063	2,011,529	-	-	-	-	-	-
Capital Outlay	2,281,197	1,433,797	1,684,298	1,487,412	1,277,770	3,175,418	1,116,801	979,844	1,653,008	12,367,942
Special Schools	-	-	-	-	1,203	1,589,483	1,812,123	1,810,327	1,790,120	1,683,236
Total Expenditures	40,663,114	39,574,107	38,994,310	39,899,368	36,770,481	41,115,761	38,626,245	37,811,261	37,989,452	44,839,868
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,043,446	1,107,545	1,379,146	(69,992)	1,006,376	(1,082,323)	118,116	106,091	(1,086,661)	(9,943,836)
Other Financing Sources/(Uses):										
Miscellaneous/Other	-	-	(45,097)	-	-	11,537	-	(45,199)	2,976	(2,066)
Operating Transfers In/(Out)	50,470	-	-	18,327	-	(200,000)	(170,000)	(106,521)	(40,000)	(65,000)
Total Other Financing Sources/ (Uses)	50,470	-	(45,097)	18,327	-	(188,463)	(170,000)	(151,720)	(37,024)	(67,066)
Net Change in Fund Balances	\$ 1,093,916	\$ 1,107,545	\$ 1,334,049	\$ (51,665)	\$ 1,006,376	\$ (1,270,786)	\$ (51,884)	\$ (45,629)	\$ (1,123,685)	\$ (10,010,902)

Source: District Records

Note: Noncapital expenditures are total expenditures less capital outlay.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDED JUNE 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Nonresident Tuition & Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,743	\$ 12,171	\$ 15,486	\$ 9,694
Interest on Investments	3,381	1,260	14,990	16,078	30,526	19,081	28,719	62,726	128,943	101,599
Prior Year Worker's Comp. Claims	-	-	-	-	-	-	97,541	-	-	-
Rents \ Leases	16,730	-	12,543	18,406	26,370	35,750	48,325	52,306	55,586	30,213
Character Education Aid	-	-	-	-	-	-	-	-	-	5,108
Miscellaneous Refunds	87,918	-	-	-	10,886	-	-	812	151	-
Miscellaneous Fees	49,408	26,444	72,149	32,143	44,522	22,583	3,177	1,768	1,882	514
Miscellaneous Awards	-	-	-	-	-	-	-	436	370	-
Insurance Refunds	-	-	-	-	-	-	-	-	2,090	-
Sale of Furniture & Equipment	-	-	-	-	-	-	-	3,812	-	-
Total	\$ 157,437	\$ 27,704	\$ 99,682	\$ 66,627	\$ 112,304	\$ 77,414	\$ 192,505	\$ 134,031	\$ 204,508	\$ 147,128

Source: District records

EXHIBIT J-6 THROUGH J-13 NOT APPLICABLE

EXHIBIT J-14

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR ENDED DECEMBER 31	SCHOOL DISTRICT POPULATION (1)	PERSONAL INCOME (2)	TOTAL PER CAPITA INCOME (3)	UNEMPLOYMENT RATE (4)
2014	449,722	N/A	N/A	N/A
2013	450,141	23,244,380,958	51,638	6.30%
2012	451,207	23,078,786,843	51,149	8.90%
2011	450,531	22,288,219,101	49,471	8.90%
2010	449,174	21,374,393,964	47,586	9.00%
2009	446,108	21,138,381,472	47,384	8.50%
2008	445,492	21,275,806,936	47,758	4.40%
2007	446,314	20,662,106,630	46,295	3.80%
2006	447,131	19,905,824,989	44,519	4.10%
2005	446,462	18,753,189,848	42,004	3.70%

(1) NJ Dept. of Labor & Workforce Development

(2) Personal income has been estimated based upon the municipal population & per capita income.

(3) U.S. Bureau of the Census, Population Division

(4) NJ Dept. of Labor & Workforce Development

Source: State Department of Education

EXHIBIT J-15 NOT APPLICABLE

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL/TEACHER RATIO HIGH SCHOOL	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2015	2,007	\$37,961,119	18,914	-5.12%	157.0	12.8	2032.78	1923.3	3.85%	94.61%
2014	2,000	37,865,915	18,933	-5.03%	168.0	11.9	2026.99	1917.4	3.55%	94.59%
2013	2,034	37,696,837	18,533	-5.32%	163	11.9	2064.9	1935.9	3.91%	93.75%
2012	1,955	38,268,520	19,575	7.07%	160	12.2	1987.2	1857.9	1.52%	93.49%
2011	1,930	35,284,246	18,282	-8.29%	169.5	11.4	1957.5	1825.8	-1.76%	93.27%
2010	1,968	39,232,408	19,935	2.82%	180.5	10.9	1,992.6	1,853.2	2.25%	93.00%
2009	1,912	37,070,489	19,388	7.13%	174.5	11.0	1,948.8	1,807.9	-6.38%	92.80%
2008	2,033	36,791,787	18,097	5.90%	174.5	11.7	2,081.6	1,916.7	-0.80%	92.08%
2007	2,124	36,297,181	17,089	3.69%	180.5	11.8	2,098.4	1,909.3	4.92%	90.99%
2006	1,968	32,433,030	16,480	-0.60%	170.5	11.5	2,000.0	1,829.0	7.58%	91.45%

Source: District Records

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

FISCAL YEAR	WESTAMPTON CAMPUS	MEDFORD CAMPUS	TOTAL
2015	\$ 348,581	\$ 348,581	\$ 697,162
2014	518,531	518,530	1,037,061
2013	517,145	447,904	965,049
2012	399,003	493,119	892,122
2011	416,401	269,373	685,774
2010	396,817	387,925	784,742
2009	460,945	466,390	927,335
2008	360,896	354,290	715,186
2007	420,812	390,586	811,398
2006	351,261	345,695	696,956
Total	<u>\$ 4,190,392</u>	<u>\$ 4,022,393</u>	<u>\$ 8,212,785</u>

Source: District records

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
INSURANCE SCHEDULE
JUNE 30, 2015**

	COVERAGE	DEDUCTIBLE
Commercial Package Policy:		
Property - 100% Coinsurance / Agreed Value	\$ 85,650,243	\$ 5,000
Crime Coverage - Employee Dishonesty	100,000	500
Comprehensive General Liability		
Bodily Injury & Property Damage	16,000,000	
Bodily Injury From Products & Completed Operations	1,000,000	
Sexual Abuse		
Sexual Abuse	1,000,000	
Annual Aggregate	2,000,000	
Per Occurrence Per Perpetrator	3,000,000	
Personal Injury & Advertising Injury		
Annual Aggregate	16,000,000	
Per Occurrence	16,000,000	-
Premises Medical Payments - Each Accident	10,000	100
Terrorism		-
Annual Aggregate	1,000,000	
Per Occurrence	1,000,000	
Employee Benefits Liability		
Each Claim	1,000,000	1,000
Annual Aggregate	1,000,000	
Crime Coverage - Employee Dishonesty	80,000	500
Commercial Automobile	1,000,000	
Umbrella Policy:		
Each Occurrence	5,000,000	
Annual Aggregate	5,000,000	
Self-Insured Retention	10,000	
Electronic Data Processing:		
Each Occurrence	12,000,000	1,000
Workers' Compensation:		
Each Accident	2,000,000	
Disease - Policy Limit	2,000,000	
Disease - Each Employee	2,000,000	
School Leaders Errors & Omissions Liability:		
Coverage A Each Policy Period	16,000,000	5,000
Coverage B Each Policy Period	300,000	5,000
Student Accident:		
Each Accident	5,000,000	
Catastrophic Excess	1,000,000	
Violent Acts:		
Each Occurrence	250,000	
Public Official Bonds:		
Treasurer School Funds Bond	250,000	
Board Secretary / Business Administrator Bond	100,000	
License & Permit Bond		
Driving School License Bond	10,000	

(1) Comprehensive Deductible \$1,000; Collision Deductible \$1,000
Buses: Comprehensive & Collision Deductible \$1,000

Source: District records

Note: The coverage above reflects the amounts for all districts that belong to the Fund

SINGLE AUDIT SECTION

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HOLMAN | FRENIA
ALLISON, P.C.

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Burlington County Institute of Technology
County of Burlington
Westampton, New Jersey 08060

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Burlington County Institute of Technology, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively the Burlington County Institute of Technology's basic financial statements, and have issued our report thereon dated December 10, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Burlington County Institute of Technology's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Burlington County Institute of Technology's internal control. Accordingly, we do not express an opinion on the effectiveness of the Burlington County Institute of Technology'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 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies as Findings 2015-001 and 2015-002.

Management's Response to Findings

Management's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Burlington County Institute of Technology 's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Public School Accountant
Certified Public Accountant
No. 1148

Medford, New Jersey
December 10, 2015

EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-
133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08.**

Honorable President and Members
of the Board of Education
Burlington County Institute of Technology
County of Burlington
Westampton, New Jersey 08060

Report on Compliance for Each Major Federal and State Program

We have audited the Burlington County Institute of Technology’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended June 30, 2015. The Burlington County Institute of Technology’s major federal and state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Burlington County Institute of Technology’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those

standards, OMB Circular A-133 and New Jersey OMB's Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Burlington County Institute of Technology's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Burlington County Institute of Technology's compliance with those requirements.

Opinion on Each Major Federal and State Program

In our opinion, the Burlington County Institute of Technology 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 federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Burlington County Institute of Technology is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Burlington County Institute of Technology's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Burlington County Institute of Technology's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Public School Accountant
Certified Public Accountant
No. 1148

Medford, New Jersey
December 10, 2015

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	(ACCOUNTS RECEIVABLE) 2015	DEFERRED REVENUE 2015	DUE TO GRANTOR 2015
U.S. Department of Agriculture:											
Passed-through State Department of Education:											
Food Distribution Program	10,565	Unavailable	\$59,587	7/1/14-6/30/15	\$ -	\$ 59,587	\$ (59,587)	\$ -	\$ -	\$ -	\$ -
School Breakfast Program	10,553	Unavailable	104,564	7/1/14-6/30/15	-	96,021	(104,557)	-	(8,536)	-	-
School Breakfast Program	10,553	Unavailable	104,481	7/1/13-6/30/14	(9,580)	9,580	-	-	-	-	-
National School Lunch Program	10,555	Unavailable	336,076	7/1/14-6/30/15	-	314,431	(336,076)	-	(21,645)	-	-
National School Lunch Program	10,555	Unavailable	309,909	7/1/13-6/30/14	(23,849)	23,849	-	-	-	-	-
Total U.S. Department of Agriculture											
			(33,429)		503,468	(500,220)			(30,181)		
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:											
Medical Assistance Program (SEMI)	93,778	Unavailable	42,766	7/1/14-6/30/15	-	27,538	(42,766)	-	(15,228)	-	-
Medical Assistance Program (SEMI)	93,778	Unavailable	32,759	9/1/13-8/31/14	(6,142)	6,142	-	-	-	-	-
Medical Assistance Program (SEMI) - ARRA	93,778	Unavailable	7,585	7/1/14-6/30/15	-	7,585	(7,585)	-	-	-	-
N.C.L.B.:											
Title I - Part A	84,010	NCLB061015	541,194	7/1/14-6/30/15	-	474,137	(541,194)	-	(67,057)	-	-
Title I - Part A	84,010	NCLB061014	571,504	9/1/13-8/31/14	(171,382)	171,382	-	-	-	-	-
Title II - Part A	84,367	NCLB061015	48,546	7/1/14-6/30/15	-	44,840	(48,546)	-	(3,706)	-	-
Title II - Part A	84,367	NCLB061014	43,183	9/1/13-8/31/14	(3,437)	3,437	-	-	-	-	-
I.D.E.A. Part B	84,027	IDEA061012	462,722	9/1/11-8/31/12	698	-	-	(698)	-	-	-
I.D.E.A. Part B	84,027	IDEA061015	494,158	7/1/14-6/30/15	-	494,158	(494,158)	-	-	-	-
I.D.E.A. Part B	84,027	IDEA061014	466,915	9/1/13-8/31/14	(112,202)	112,202	-	-	-	-	-
Carl D. Perkins Vocational & Applied Technology Education Act:											
Secondary	84,048	PERK061015	281,811	7/1/14-6/30/15	-	281,811	(281,811)	-	-	-	-
Secondary	84,048	PERK061014	211,477	7/1/13-6/30/14	(52,964)	52,964	-	-	-	-	-
Post Secondary	84,048	PERK061015	106,156	7/1/14-6/30/15	-	106,156	(106,156)	-	(1)	-	-
Post Secondary	84,048	PERK061014	101,480	7/1/13-6/30/14	(6,863)	6,863	-	-	-	-	-
Total U.S. Department of Education											
			(352,292)		1,789,214	(1,522,216)	(698)		(85,992)		
Total Federal Financial Assistance											
			\$ (385,721)		\$ 2,292,682	\$ (2,022,436)			\$ (116,173)		\$ -

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	ACCOUNTS RECEIVABLE 2015	MEMO	
								BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:									
General Fund:									
Equalization Aid	495-034-5120-078	\$13,192,613	7/1/14-6/30/15	\$ -	\$ 13,192,613	\$ (13,192,613)	\$ -	\$ (1,296,157)	\$ 13,192,613
Special Education Categorical Aid	495-034-5120-089	1,162,397	7/1/14-6/30/15	-	1,162,397	(1,162,397)	-	(114,204)	1,162,397
Security Aid	495-034-5120-084	109,496	7/1/14-6/30/15	-	109,496	(109,496)	-	(10,758)	109,496
Per Pupil Growth Aid	495-034-5120-097	20,760	7/1/14-6/30/15	-	20,760	(20,760)	-	(2,040)	20,760
PARCC Readiness	495-034-5120-098	20,760	7/1/14-6/30/15	-	20,760	(20,760)	-	(2,040)	20,760
On-Behalf TPAF Pension Contribution (Non-Budgeted)	495-034-5095-001	709,196	7/1/14-6/30/15	-	709,196	(709,196)	-	-	709,196
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)	495-034-5095-001	1,125,849	7/1/14-6/30/15	-	1,125,849	(1,125,849)	-	-	1,125,849
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	495-034-5095-002	1,046,767	7/1/13-6/30/14	(47,083)	47,083	-	-	-	-
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	495-034-5095-002	978,353	7/1/14-6/30/15	-	935,485	(978,353)	(42,868)	-	978,353
Total General Fund				(47,083)	17,323,639	(17,319,424)	(42,868)	(1,425,199)	17,319,424
Special Revenue Fund:									
State Department of Education:									
Apprentice Coordinator	100-034-5062-032-H200	15,000	7/1/13-6/30/14	(4,038)	4,038	-	-	-	-
Apprentice Coordinator	100-034-5062-032-H200	19,000	7/1/14-6/30/15	-	8,991	(19,000)	(10,009)	-	19,000
Total Special Revenue Fund				(4,038)	13,029	(19,000)	(10,009)	-	19,000
Capital Projects Fund:									
ROD Grant - Medford Reroofing Project	0610-040-13-1001	823,751	7/1/13-6/30/15	(114,587)	-	(484,452)	(599,039)	-	484,452
Total Capital Projects Fund				(114,587)	-	(484,452)	(599,039)	-	484,452
Enterprise Fund:									
National School Lunch Program	100-010-3360-067	8,592	7/1/13-6/30/14	(1,552)	1,552	-	-	-	-
National School Lunch Program	100-010-3360-067	8,629	7/1/14-6/30/15	-	7,849	(8,629)	(780)	-	8,629
Total Enterprise Fund				(1,552)	9,401	(8,629)	(780)	-	8,629
Total State Financial Assistance				\$ (167,260)	\$ 17,346,069	\$ (17,831,505)	\$ (652,696)	\$ (1,425,199)	\$ 17,831,505
Less: Grants Not Subject to New Jersey OMB Circular 04-04:									
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	495-034-5095-001	1,125,849	7/1/14-6/30/15			1,125,849			
On-Behalf TPAF Pension Contributions (Nonbudgeted)	495-034-5095-001	709,196	7/1/14-6/30/15			709,196			
Total State Financial Assistance subject to New Jersey OMB Circular 04-04						\$ (15,996,460)			

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2015**

Note 1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Burlington County Institute of Technology. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements.

Note 3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(3,228) for the general fund and \$0 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2015

Note 3. Relationship to Basic Financial Statements (continued):

	Federal	State	Total
General Fund	\$ 50,351	\$17,316,196	\$17,366,547
Special Revenue Fund	1,471,865	19,000	1,490,865
Capital Projects Fund	-	484,452	484,452
Food Service Fund	<u>500,220</u>	<u>8,629</u>	<u>508,849</u>
Total Financial Assistance	<u>\$2,022,436</u>	<u>\$17,828,277</u>	<u>\$19,850,713</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Other

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

Note 6. Federal and State Loans Outstanding

The Burlington County Institute of Technology had no loan balances outstanding at June 30, 2015.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to basic financial Statements noted?	None Reported

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered To be material weaknesses?	No
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance With section .510(a) of Circular A-133?	None Reported

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	NCLB – Title I

Dollar threshold used to distinguish between Type A Programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section I – Summary of Auditor’s Results (continued):

State Awards

Dollar threshold used to distinguish between type A and Type B Programs:	\$479,886
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered To be material weaknesses?	No
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter(s) 04-04 and/or 15-08?	None Reported

Identification of major programs:

GMIS Number(s)	Name of State Program
15-495-034-5120-078	Equalization Aid
15-495-034-5120-089	Special Education Categorical Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5120-098	PARCC Readiness Aid
15-0610-040-13-1001	ROD Grant – Medford Re-roofing Project

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

Finding 2015-001:

Criteria or Specific Requirement:

General ledgers should be maintained for all funds operating within the District.

Condition:

It was noted during our audit that a general ledger for the food service fund, though kept and maintained by the District, was not maintained in accordance with GAAP.

Context:

A detailed analysis of receipts and disbursements was necessary to obtain year-to-date information.

Effect:

The District records do not accurately reflect the activity for the food service fund.

Cause:

Lack of oversight by prior District officials.

Recommendation:

That the District maintain a proper general ledger for all funds.

View of Responsible Officials and Planned Corrective Action:

Prior to the audit, the District identified this weakness and assigned personnel to address the matter. Subsequently, significant turnover in personnel required this task to be re-assigned to newly hired personnel. The District is continuing the process of completing this task.

Finding 2015-002:

Criteria or Specific Requirement:

All student activity advisors should follow the internal controls put into place by the District.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Finding 2015-002 (continued):

Condition:

During our audit of student activity funds the following internal control issues were noted:

- Deposits related to student activities were not properly supported to ensure amount deposited agrees to amount collected from students.
- Purchasing controls, as stated in the Standard Operating Procedures Manual prepared by BCIT, are not being followed by teachers and advisors in charge of student activity transactions.
- 7 of 13 departments reviewed did not utilize the inventory and supply form that was mandated by the district's internal control policy.
- 12 of the 13 departments reviewed did not have a listing on the inventory and supply form that accurately displayed the item description, serial number, tag number and service status.
- None of the inventory and supply forms allowed for the tracking of purchases and sales or usage that occurred throughout the year.

Context:

The lack of supporting documentation available for review during the testing of student activity funds.

Effect:

Not following internal controls set in place by the District can lead to the misappropriation and/or misuse of student activity funds, inventory or supplies.

Cause:

Disregard by building level management of internal controls put in place by the District.

Recommendation:

That District employees follow all internal control policies set by the Board of Education.

View of Responsible Officials and Planned Corrective Action:

The District agrees with this finding and Central Administration will work with Building Management to ensure that they comply with all internal control policies as set forth by the Board of Education.

Section III – Federal Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter(s) 04-04 and/or 15-08.

No Current Year Findings

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular(s) 04-04 and/or 15-08.

Status of Prior Year Findings:

Finding 2013-03:

Condition:

Our audit has revealed that some of the enterprise funds of the District have material internal control weaknesses dealing with the procedural and reporting processes.

Current Status:

This has been corrected.