

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

Westampton, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

WESTAMPTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by

Burlington County Institute of Technology Business Office

OUTLINE OF CAFR - GASB #34

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INTRODUCTORY SECTION

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

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Business Administrator/Board Secretary
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November 9, 2016

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, 2016 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 basic 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 requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. 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 2015-16 fiscal year with a 9-12 high school enrollment of 2,001, which is 6 students less than the previous year's enrollment of 2,007.

2. **ECONOMIC CONDITION AND OUTLOOK:** The American economy continues to struggle as it slowly recovers from a crisis in the financial markets and remains somewhat uncertain as a result of the ongoing threat of domestic and international terrorism. This level of uncertainty is further enhanced by the War in Afghanistan and the potential increased instability of the European markets caused by the United Kingdom's withdrawal from the European Union (Brexit). Manufacturing jobs will continue to have a smaller share of the economy and service industries will continue to create most of the new jobs. We project no significant changes from last year in the growth, and/or demographics of the work force, as well as the skillset required by the work force. Accordingly, the educational offerings at the Burlington County Institute of Technology reflect the needs of said workforce.

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 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 misuse, and from loss due to waste, abuse and/or fraud. This internal control structure is also designed 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, 2016.

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:**

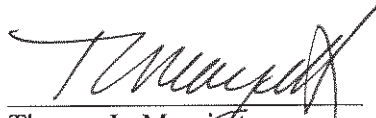
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and 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,



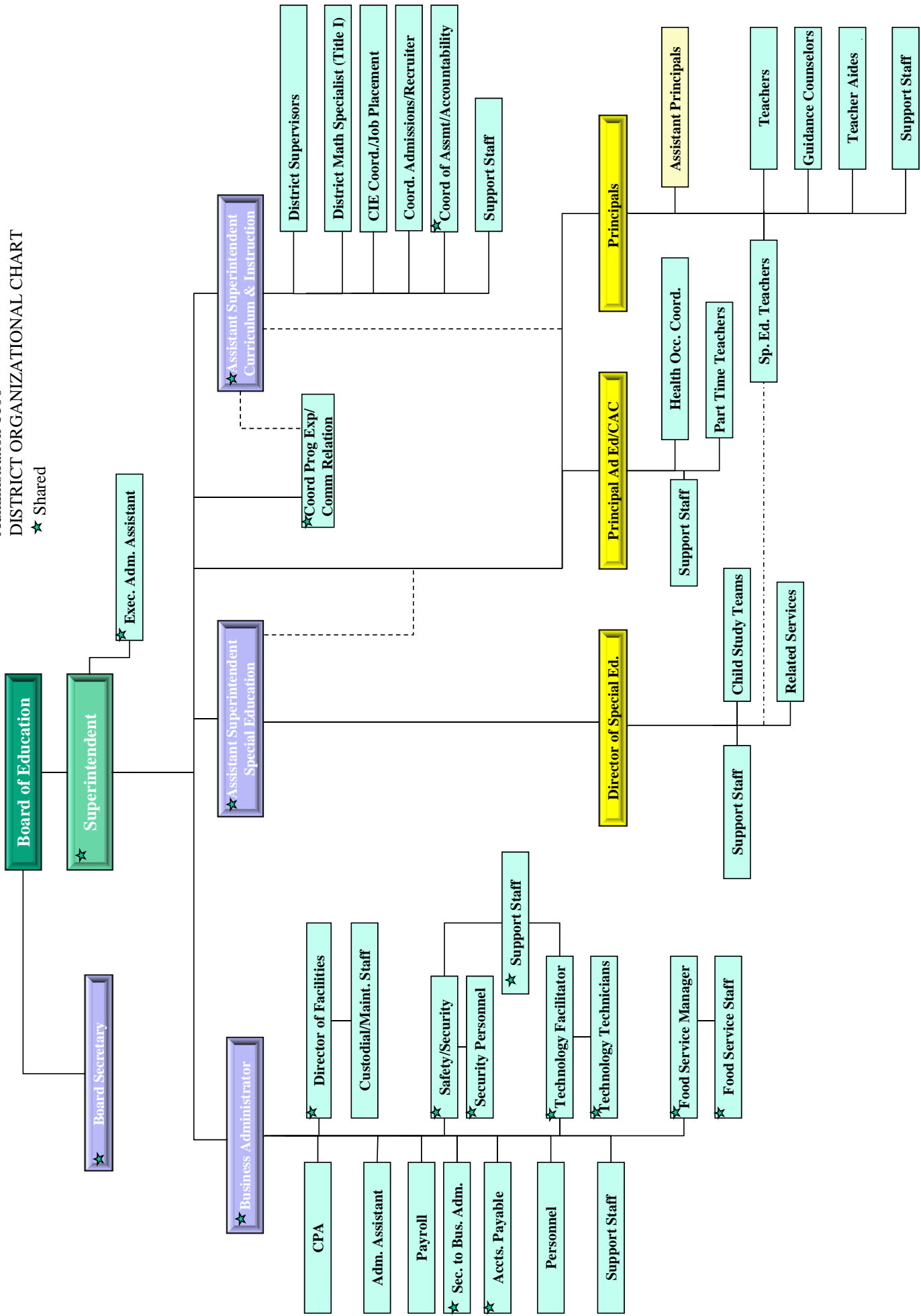
Christopher Nagy, Ed. D.
Superintendent



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, 2016

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Robert C. Silcox, President	2018
Paula Lee, Vice President	2018
Christopher Baxter	2016
Kathleen Burgess	2016
John J. Ferry	2017
Leon E. Jones, Jr.	2017

OTHER OFFICIALS

Dr. Christopher M. Manno, Ed.D., Superintendent

Theresa L. Margiotta, Business Administrator/Board Secretary

Constance L. Stewart, Treasurer

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

CONSULTANTS AND ADVISORS

ARCHITECT

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Cape May Court House, New Jersey 08210

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ATTORNEY

Capehart Scatchard
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Mt. Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

TD Bank

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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 Burlington County Institute of Technology, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2016, 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; 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Burlington County Institute of Technology, County of Burlington, State of New Jersey, as of June 30, 2016, 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.

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 the schedules related to accounting and reporting for pensions, 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 introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements and the Schedule 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 Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents 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 November 9, 2016 on our consideration of the Burlington County Institute of Technology's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Burlington County Institute of Technology's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
November 9, 2016

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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, 2016**

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, 2016. 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.

Financial Highlights

Key financial highlights for June 30, 2016 are as follows:

- In total, noncash net position decreased by \$1,816,150 as explained below:
- General revenues accounted for \$37,476,965 in revenue. Program specific revenues in the form of charges for services for the enterprise accounts of \$2,010,900 and contributions of \$9,164,485 (inclusive of an increase of the On-Behalf TPAF expense) of total revenues of \$50,875,227.
- The School District had \$50,468,500 in expenses; \$11,175,385 of these expenses included the enterprise fund expenses and the inclusion of On-Behalf Pension expenses.

Overview of the Financial Statements

The financial section of this annual report consists of 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 2016 and 2015.

Table I
Net Position

	2016	2015	
Assets			
Current & Other Assets	6,713,405	6,669,442	
Capital Assets	<u>47,948,202</u>	<u>48,644,746</u>	*A
Total Assets	<u>54,661,607</u>	<u>55,314,118</u>	
Deferred Outflows Related to Pensions	<u>2,382,663</u>	<u>899,726</u>	*B
Total Assets and Deferred Outflows of Resources:	<u>57,044,270</u>	<u>56,213,844</u>	
Liabilities			
Long-Term Liabilities	16,189,288	13,101,466	*C
Other Liabilities	<u>932,605</u>	<u>864,443</u>	
Total Liabilities	<u>17,121,893</u>	<u>13,965,909</u>	
Deferred Inflows Related to Pensions	<u>525,072</u>	<u>1,034,480</u>	
Total Liabilities and Deferred Inflows of Resources:	<u>17,646,965</u>	<u>15,000,389</u>	
Net Position:			
Net Investment in Capital Assets	47,948,202	48,644,746	
Restricted	4,547,416	4,952,079	
Unrestricted	<u>(13,098,313)</u>	<u>(12,383,370)</u>	
Total Net Position	<u>39,397,305</u>	<u>41,213,455</u>	*D

The total net position of governmental activities decreased by \$1,564,537. The total net position of the business-type activities decreased by \$251,612.

*A The decrease in total assets is primarily due to the 4,669,497 depreciation expense that occurred in the 2015/2016 year.

*B The increase in deferred outflows of resources related to pensions is primarily due to the consumption of assets in the current period that will benefit later periods.

*C The increase in Long-Term Liabilities is due to an increase in the compensated absence liability and an increase in the pension liability due to GASB 68.

*D The decrease in total net position is due to the large increase in liabilities.

Table 2 shows a summary of changes in net position for fiscal year 2016 and 2015.

Table 2 Change in Net Position			
	<u>2016</u>	<u>2015</u>	Percentage Change
Revenues			
Program Revenues:			
Enterprise Services	\$2,010,900	\$1,930,509	
Operating Grants & Contributions	9,164,485	7,974,397	*A
General Revenues:			
County Appropriations	15,894,974	15,894,974	
Federal & State Aid Unrestricted	14,775,162	15,244,160	
Tuition	6,611,347	6,312,285	
Other	195,481	157,437	
	<hr/>	<hr/>	
Total Revenue	48,652,350	47,513,762	2.40%
Program Expenses			
Governmental Activities:			
Instruction	14,117,145	13,977,872	
Support Services:			
Student & Instruction Related Services	3,863,450	3,356,321	
Administrative Services	6,120,312	6,422,987	
Plant Operation & Maintenance	5,312,351	5,723,616	
Pupil Transportation	266,207	227,069	
Unallocated Employee Benefits	14,041,522	11,822,122	*B
Contribution for Debt Service	236,013	236,013	
Increase In Compensated Absences	119,224	400,465	
Special Schools	94,168	-	
Unallocated Depreciation	3,386,374	2,885,486	
	<hr/>	<hr/>	
Total Expenses, Governmental Activities	47,556,766	45,051,951	5.56%
Business-Type Activities:			
Food Service	1,289,212	1,261,877	
School Store	-	-	
Adult Education Programs	1,405,586	1,295,344	
Summer Camps	38,562	-	
Beaver's Den Child Care	178,374	185,651	
	<hr/>	<hr/>	
Total Expenses, Business-Type Activities	2,911,734	2,742,862	
	<hr/>	<hr/>	
Total Expenses	50,468,500	47,794,813	5.60%
	<hr/>	<hr/>	
Increase (Decrease) in Net Assets	(1,816,150)	(281,051)	

*A The increase in operating grants & contributions is primarily due to the increase in On-Behalf TPAF revenues.

*B The increase in unallocated employee benefit expenses is also due to the increase On-Behalf TPAF expenses.

**Note this basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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.

Governmental Activities including the increase of On-Behalf TPAF revenue and expense in addition to the General Fund Budget have provided the District with the ability to provide activities designed to assess and improve the well-being of students and to supplement the teaching process as well as establishing and administering policy for the school district, Board of Education and executive administrative services.

Capital Assets

At the end of the fiscal year 2016, the School District had \$47,939,590 invested in land, buildings, furniture and equipment.

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

Table 3

	<u>Governmental Activities</u>
Land	\$ 379,000
Land Improvements	6,242,730
Building and Improvements	74,252,350
Furniture and Equipment	9,019,299
Less: Accumulated Depreciation	<u>(41,953,790)</u>
Totals	<u>\$47,939,589</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, however continues to experience cash flow difficulties. 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. 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 2015-2016 school year was \$3,184 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 consistent at BCIT, and are almost at the building capacities. With updated programs such as Advanced Manufacturing we expect this number to increase in the coming years.

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.

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, 2016

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 2,801,354	\$ 616,317	\$ 3,417,671
Accounts Receivable:			
Federal	66,167	31,961	98,128
State	99,559	468	100,027
Other	144,555	21,042	165,597
Inventory	-	31,286	31,286
Capital Assets, Non-Depreciable (Note 5)	379,000	-	379,000
Capital Assets, Depreciable, Net (Note 5)	47,560,589	8,613	47,569,202
Restricted Cash	2,900,696	-	2,900,696
	<hr/>		
Total Assets	53,951,920	709,687	54,661,607
	<hr/>		
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	2,382,663	-	2,382,663
	<hr/>		
Total Deferred Outflows of Resources	2,382,663	-	2,382,663
	<hr/>		
Total Assets and Deferred Outflows of Resources	56,334,583	709,687	57,044,270
	<hr/>		
LIABILITIES			
Accounts Payable	793,180	15,770	808,950
Unearned Revenue	-	123,360	123,360
Interfund Payable	295	-	295
Noncurrent Liabilities (Note 7):			
Due Beyond One Year	16,189,288	-	16,189,288
	<hr/>		
Total Liabilities	16,982,763	139,130	17,121,893
	<hr/>		
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	525,072	-	525,072
	<hr/>		
Total Deferred Inflows of Resources	525,072	-	525,072
	<hr/>		
Total Liabilities and Deferred Inflows of Resources	17,507,835	139,130	17,646,965
	<hr/>		
NET POSITION			
Net Investment in Capital Assets	47,939,589	8,613	47,948,202
Restricted For:			
Capital Projects	351,004	-	351,004
Other Purposes	4,196,412	-	4,196,412
Unrestricted	(13,660,257)	561,944	(13,098,313)
	<hr/>		
Total Net Position	\$ 38,826,748	\$ 570,557	\$ 39,397,305
	<hr/>		

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, 2016**

	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION				BUSINESS- TYPE ACTIVITIES	TOTALS
	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES		
FUNCTIONS/PROGRAMS						
Governmental Activities:						
Instruction:						
Regular	\$ 6,140,935	\$ -	1,151,033	\$ (4,989,902)	\$ -	(4,989,902)
Special Education	2,209,892	-	-	(2,209,892)	-	(2,209,892)
Vocational Education	4,618,686	-	-	(4,618,686)	-	(4,618,686)
Other Instruction	1,147,632	-	-	(1,147,632)	-	(1,147,632)
Support Services:						
Student & Instruction Related Services	3,863,450	-	65,363	(3,798,087)	-	(3,798,087)
Other Administrative Services	669,675	-	-	(669,675)	-	(669,675)
School Administrative Services	5,450,637	-	-	(5,450,637)	-	(5,450,637)
Plant Operations & Maintenance	5,312,351	-	-	(5,312,351)	-	(5,312,351)
Pupil Transportation	266,207	-	-	(266,207)	-	(266,207)
Unallocated Employee Benefits	14,041,522	-	7,409,358	(6,632,164)	-	(6,632,164)
Special Schools	94,168	-	-	(94,168)	-	(94,168)
Contribution for Debt Service and Other Charges	236,013	-	-	(236,013)	-	(236,013)
Increase/(Decrease) In Compensated Absences	119,224	-	-	(119,224)	-	(119,224)
Loss/(Gain) on Revaluation of Capital Assets	-	-	-	-	-	-
Unallocated Depreciation	3,386,374	-	-	(3,386,374)	-	(3,386,374)
Total Governmental Activities	47,556,766	-	8,625,754	(38,931,012)	-	(38,931,012)
Business-Type Activities:						
Food Service	1,289,212	587,796	538,731	-	(162,685)	(162,685)
School Store	-	-	-	-	-	-
Adult Education Programs	1,405,586	1,210,210	-	-	(195,376)	(195,376)
Beaver's Den Child Care	178,374	173,869	-	-	(4,505)	(4,505)
Summer Camps	38,562	39,025	-	-	463	463
Total Business-Type Activities	2,911,734	2,010,900	538,731	-	(362,103)	(362,103)
Total Primary Government	\$ 50,468,500	\$ 2,010,900	\$ 9,164,485	(38,931,012)	(362,103)	(39,293,115)

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, 2016

	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION		
FUNCTIONS/PROGRAMS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS
County Appropriations	15,894,975	-	15,894,975
Federal & State Aid Unrestricted	14,775,162	-	14,775,162
Tuition Received	6,611,347	-	6,611,347
Transfer In/Out	(110,491)	110,491	-
Miscellaneous Income	195,481	-	195,481
Total General Revenues, Special Items, Extraordinary Items & Transfers	37,366,474	110,491	37,476,965
Change In Net Position	(1,564,538)	(251,612)	(1,816,150)
Beginning Net Position	40,391,286	822,169	41,213,455
Ending Net Position	\$ 38,826,748	\$ 570,557	\$ 39,397,305

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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, 2016**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
Cash & Cash Equivalents	\$ 2,522,757	\$ -	\$ 351,004	\$ 2,873,761
Accounts Receivable:				
Federal	1,565	64,602	-	66,167
State	91,769	7,790	-	99,559
Other	144,555	-	-	144,555
Interfund	-	15	-	15
Restricted Cash	2,900,696	-	-	2,900,696
Total Assets	\$ 5,661,342	\$ 72,407	\$ 351,004	\$ 6,084,753

LIABILITIES & FUND BALANCES

Liabilities:				
Cash Deficit	\$ -	\$ 72,407	\$ -	\$ 72,407
Interfund Payable	310	-	-	310
Accounts Payable	793,180	-	-	793,180
Total Liabilities	793,490	72,407	-	865,897
Fund Balances:				
Restricted:				
Capital Reserve	2,900,696	-	-	2,900,696
Capital Projects	-	-	351,004	351,004
Assigned to:				
Other Purposes	1,295,716	-	-	1,295,716
Unassigned:				
General Fund	671,440	-	-	671,440
Total Fund Balances	4,867,852	-	351,004	5,218,856
Total Liabilities & Fund Balances	\$ 5,661,342	\$ 72,407	\$ 351,004	

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 \$89,893,379 and the accumulated depreciation is \$41,953,790.	\$ 47,939,589
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.	1,857,591
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.	(16,189,288)
Net position of Governmental Activities	\$ 38,826,748

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, 2016

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
Revenues:				
Local Sources:				
County Appropriations	\$ 15,894,975	\$ -	\$ -	\$ 15,894,975
Tuition from LEA's	6,611,347	-	-	6,611,347
Other Local Revenues/Miscellaneous	181,545	-	-	181,545
Total Local Sources	22,687,867	-	-	22,687,867
State Sources	17,839,771	19,000	-	17,858,771
Federal Sources	39,218	1,496,714	-	1,535,932
Total Revenues	40,566,856	1,515,714	-	42,082,570
Expenditures:				
Current Expense:				
Regular Instruction	4,989,902	1,151,033	-	6,140,935
Special Education Instruction	2,209,892	-	-	2,209,892
Vocational Education	4,618,686	-	-	4,618,686
Other Instruction	1,147,632	-	-	1,147,632
Support Services & Undistributed Costs:				
Student & Instruction Related Services	3,798,087	65,363	-	3,863,450
Other Administrative Services	669,675	-	-	669,675
School Administrative Services	5,450,637	-	-	5,450,637
Plant Operations & Maintenance	5,312,351	-	-	5,312,351
Pupil Transportation	266,207	-	-	266,207
Employee Benefits	9,450,138	154,248	-	9,604,386
Special Schools	94,168	-	-	94,168
Contribution for Debt Service	236,013	-	-	236,013
Capital Outlay	2,546,195	145,070	-	2,691,265
Total Expenditures	40,789,583	1,515,714	-	42,305,297
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(222,727)	-	-	(222,727)
Other Financing Sources/(Uses):				
Operating Transfers In (Out) - Transfer Out	(110,491)	-	-	(110,491)
Cancellation of Prior Year AR	-	-	13,936	13,936
Total Other Financing Sources/(Uses)	(110,491)	-	13,936	(96,555)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(333,218)	-	13,936	(319,282)
Fund Balances July 1	5,201,070	-	337,068	5,538,138
Fund Balances June 30	\$ 4,867,852	\$ -	\$ 351,004	\$ 5,218,856

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, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (319,282)

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	\$	2,691,265	
Adjustment to Capital Assets		1,283,123	
Depreciation Expense		(4,669,497)	(695,109)

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 - 2016		545,330	
Unfunded TPAF Pension Expense		(4,006,213)	
State Share of Unfunded TPAF Pension Expense		4,006,213	
Pension Expense		(976,253)	(430,923)

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		1,831,245	
Current Year		(1,950,469)	(119,224)

Change in Net Position of Governmental Activities \$ (1,564,538)

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Proprietary Funds

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2016**

ASSETS	FOOD SERVICE FUND	SCHOOL STORE	FIRE SCHOOL	ADULT EDUCATION	BEAVER'S DEN CHILD CARE	SUMMER CAMPS	TOTALS
Current Assets:							
Cash	\$ 14,294	\$ -	\$ 196,981	\$ 289,611	\$ 65,973	\$ 49,458	\$ 616,317
Accounts Receivable:							
State	468	-	-	-	-	-	468
Federal	31,961	-	-	-	-	-	31,961
Other	-	-	-	21,042	-	-	21,042
Inventories	10,483	20,803	-	-	-	-	31,286
Total Current Assets	57,206	20,803	196,981	310,653	65,973	49,458	701,074
Capital Assets:							
Equipment	14,356	-	-	-	-	-	14,356
Less: Accumulated Depreciation	(5,743)	-	-	-	-	-	(5,743)
Total Capital Assets	8,613	-	-	-	-	-	8,613
Total Assets	65,819	20,803	196,981	310,653	65,973	49,458	709,687
LIABILITIES							
Current Liabilities:							
Unearned Revenue	-	-	-	74,190	2,390	46,780	123,360
Accounts Payable	-	-	-	13,555	-	2,215	15,770
Total Liabilities	-	-	-	87,745	2,390	48,995	139,130
NET POSITION							
Net Investment in Capital Assets Unrestricted	8,613	-	-	-	-	-	8,613
	57,206	20,803	196,981	222,908	63,583	463	561,944
Total Net Position	\$ 65,819	\$ 20,803	\$ 196,981	\$ 222,908	\$ 63,583	\$ 463	\$ 570,557

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, 2016**

	FOOD SERVICE FUND	SCHOOL STORE	FIRE SCHOOL	ADULT EDUCATION	BEAVER'S DEN CHILD CARE	SUMMER CAMPS	TOTALS
Operating Revenues:							
Local Sources:							
Fees	\$ 85,687	\$ -	\$ 172,068	\$ 1,038,142	\$ 173,869	\$ 39,025	\$ 1,508,791
Daily Sales-Reimbursable Programs	191,068	-	-	-	-	-	191,068
Daily Sales-Non-Reimbursable Program	271,733	-	-	-	-	-	271,733
Miscellaneous	11,403	-	-	-	-	-	11,403
Special Functions	27,905	-	-	-	-	-	27,905
Total Operating Revenue	587,796	-	172,068	1,038,142	173,869	39,025	2,010,900
Operating Expenses:							
Cost of Sales	694,696	-	-	169,083	-	-	863,779
Administrative Fees	87,000	-	-	-	-	-	87,000
Employee Benefits	100,429	-	-	50,527	-	-	150,956
Insurance	17,325	-	-	-	-	-	17,325
Miscellaneous	6,090	-	-	51,220	-	-	57,310
Depreciation	1,435	-	-	-	-	-	1,435
Refunds	-	-	19,533	-	-	-	19,533
Salaries	351,817	-	133,131	897,818	167,381	25,942	1,576,089
Supplies	30,420	-	-	33,398	10,993	12,620	87,431
Textbooks	-	-	50,876	-	-	-	50,876
Total Operating Expenses	1,289,212	-	203,540	1,202,046	178,374	38,562	2,911,734
Operating Income/(Loss)	(701,416)	-	(31,472)	(163,904)	(4,505)	463	(900,834)
Nonoperating Revenues (Expenses):							
State Sources:							
State School Lunch Program	7,749	-	-	-	-	-	7,749
Federal Sources:							
School Breakfast Program	121,787	-	-	-	-	-	121,787
National School Lunch Program	342,618	-	-	-	-	-	342,618
Food Distribution Program	66,577	-	-	-	-	-	66,577
Total Nonoperating Revenue (Expenses)	538,731	-	-	-	-	-	538,731
Other Financing Sources/(Uses):							
Operating Transfers In/(Out)	110,491	-	-	-	-	-	110,491
Total Other Financing Sources/(Uses)	110,491	-	-	-	-	-	110,491
Change in Net Position	(52,194)	-	(31,472)	(163,904)	(4,505)	463	(251,612)
Total Net Position - Beginning	118,013	20,803	228,453	386,812	68,088	-	822,169
Total Net Position - Ending	\$ 65,819	\$ 20,803	\$ 196,981	\$ 222,908	\$ 63,583	\$ 463	\$ 570,557

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, 2016**

	FOOD SERVICE FUND	FIRE SCHOOL	ADULT EDUCATION	BEAVERS' DEN CHILD CARE	SUMMER CAMPS	TOTALS
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 655,808	\$ 172,068	\$ 1,029,507	\$ 175,909	\$ 46,780	\$ 2,080,072
Payments to Employees	(351,817)	(133,131)	(897,818)	(167,381)	(25,942)	(1,576,089)
Payments to Food Service Management Company	(88,468)	-	-	-	-	(88,468)
Payments for Employee Benefits	(100,429)	-	(50,527)	-	-	(150,956)
Payments to Suppliers	(748,264)	(70,409)	(240,614)	(10,993)	(10,405)	(1,080,685)
Net Cash Provided/(Used) by Operating Activities	(633,170)	(31,472)	(159,452)	(2,465)	10,433	(816,126)
Cash Flows From Noncapital Financing Activities:						
Cash Received From State & Federal Programs	472,154	-	-	-	-	472,154
Transfers Out	110,491	-	-	-	-	110,491
Net Cash Provided by Noncapital Financing Activities	582,645	-	-	-	-	582,645
Net Increase/(Decrease) in Cash & Cash Equivalents	(50,525)	(31,472)	(159,452)	(2,465)	10,433	(233,481)
Balances - Beginning of Year	64,819	228,453	449,063	68,438	39,025	849,798
Balances - Ending of Year	\$ 14,294	\$ 196,981	\$ 289,611	\$ 65,973	\$ 49,458	\$ 616,317
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:						
Operating Income (Loss)	\$ (701,416)	\$ (31,472)	\$ (163,904)	\$ (4,505)	\$ 463	\$ (900,834)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used in) Operating Activities:						
Food Distribution Program	66,577	-	-	-	-	66,577
Cancellation of Prior Year Receivable	1,435	-	-	-	-	1,435
Change in Assets & Liabilities:						
(Increase)/Decrease in Accounts Receivable	(1,468)	-	(21,042)	-	-	(22,510)
(Increase)/Decrease in Inventory	1,702	-	-	-	-	1,702
Increase/(Decrease) in Unearned Revenue	-	-	-	2,040	7,755	9,795
Increase/(Decrease) in Other Payables	-	-	13,087	-	2,215	15,302
Net Cash Provided/(Used) by Operating Activities	\$ (633,170)	\$ (31,472)	\$ (171,859)	\$ (2,465)	\$ 10,433	\$ (828,533)

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Fiduciary Fund

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITON
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE		AGENCY FUNDS		TOTALS
	UNEMPLOYMENT COMPENSATION INSURANCE	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$ 704,545	\$ 102,841	\$ 150,411		\$ 957,797
Interfund Receivable	295	-	-		295
Total Assets	704,840	102,841	150,411		958,092
LIABILITIES					
Unemployment Claims Payable	16,703	-	-		16,703
Payroll Deductions & Withholdings	-	-	150,411		150,411
Due to Student Groups	-	102,841	-		102,841
Total Liabilities	16,703	102,841	150,411		269,955
NET POSITION					
Restricted	688,137	-	-		688,137
Total Net Position	\$ 688,137	\$ -	\$ -		\$ 688,137

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, 2016**

ADDITIONS	<u>PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION INSURANCE</u>	TOTALS
Local Sources:		
Employee Salary Deductions	\$ 56,587	\$ 56,587
	<hr/>	<hr/>
Total Operating Revenues	56,587	56,587
	<hr/>	<hr/>
Other Sources:		
Interest on Investments	455	455
	<hr/>	<hr/>
Total Additions	57,042	57,042
	<hr/>	<hr/>
DEDUCTIONS		
Unemployment Compensation		
Insurance Claims	104,764	104,764
	<hr/>	<hr/>
Total Deductions	104,764	104,764
	<hr/>	<hr/>
Change in Net Position	(47,722)	(47,722)
Net Position - Beginning of the Year	735,859	735,859
	<hr/>	<hr/>
Net Position - End of the Year	\$ 688,137	\$ 688,137
	<hr/> <hr/>	<hr/> <hr/>

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, 2016

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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.

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, 2016 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

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 and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. The following 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.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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 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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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, 2016

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, 2016

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.

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.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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 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.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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, 2016

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, 2016 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, 2016

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, 2016

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, 2016.
- 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, 2016

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

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

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.

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, 2016 through the date of November 9, 2016, 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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

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

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, 2016, the District's bank balance of \$8,361,463 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$	250,000
Collateralized by securities held by		
Pledging financial institution		6,985,408
Uninsured and uncollateralized		<u>1,126,055</u>
 Total	 \$	 <u>8,361,463</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.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 2. Cash and Investments (continued):

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, 2016, 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, 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 LRFP.

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1 2015	\$ 2,900,439
Interest Earnings	<u>257</u>
Ending Balance June 30 , 2016	<u><u>\$ 2,900,696</u></u>

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2016 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>	Proprietary <u>Funds</u>	<u>Total</u>
Intergovernmental	\$ 93,334	\$ 72,392	\$ 32,429	\$ 198,155
Other	144,555	-	21,042	165,597
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 237,889</u>	<u>\$ 72,392</u>	<u>\$ 53,471</u>	<u>\$ 363,752</u>

Note 5. Capital Assets

The following schedule is a summarization of the capital fixed assets by source for the fiscal year ended June 30, 2016:

	June 30, 2015	Additions	Deletions	Transfers/ Adjustments	June 30, 2016
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 379,000	\$ -	\$ -	\$ -	\$ 379,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets not being depreciated	379,000	-	-	-	379,000
Capital Assets being depreciated:					
Buildings	73,950,998	-	-	301,352	74,252,350
Land Improvements	5,875,962	91,088	-	275,680	6,242,730
Machinery & Equipment	8,598,679	2,600,177	-	(2,179,557)	9,019,299
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Historical Cost	88,425,639	2,691,265	-	(1,602,525)	89,514,379
Less: accumulated depreciation					
Buildings & Improvements	(32,378,670)	(2,955,326)	-	1,973,240	(33,360,756)
Land Improvements	(2,856,617)	(603,468)	-	287,529	(3,172,556)
Machinery & Equipment	(4,934,654)	(1,110,703)	-	624,879	(5,420,478)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	(40,169,941)	(4,669,497)	-	2,885,648	(41,953,790)
Capital assets being depreciated, net	48,255,698	(1,978,232)	-	1,283,123	47,560,589
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Governmental Activities, net	<u>\$ 48,634,698</u>	<u>\$ (1,978,232)</u>	<u>\$ -</u>	<u>\$ 1,283,123</u>	<u>\$ 47,939,589</u>

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 6. Transfers to Capital Outlay

During the year ending June 30, 2016, the District transferred \$3,263,359 to Capital Outlay.

Note 7. Long-Term Obligations

During the fiscal year ended June 30, 2016 the following changes occurred in liabilities reported in the general long-term debt account group:

	June 30, 2015	Accrued/ Increases	Retired/ Decreases	June 30, 2016	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 1,831,245	\$ 119,224	\$ -	\$ 1,950,469	\$ -
Net Pension Liability	11,270,221	2,968,598	-	14,238,819	-
Total	\$ 13,101,466	\$ 3,087,822	\$ -	\$ 16,189,288	\$ -

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Note 8: Pension Obligations (continued):

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

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.

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
6/30/2016	\$ 545,330	100%	\$ 14,238,819
6/30/2015	497,235	100%	11,270,221
6/30/2014	515,820	100%	11,934,066

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$14,238,819 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. 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, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

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, 2015, was .06343%, which was an increase of .00323% from its proportion measured as of June 30, 2014.

	<u>6/30/2016</u>	<u>6/30/2015</u>
	July 1, 2015	July 1, 2014
Actuarial valuation date		
Deferred Outflows of Resources	\$ 2,382,663	\$ 99,726
Deferred Inflows of Resources	\$ 525,072	\$ 1,034,480
Net Pension Liability	\$ 14,238,819	\$ 11,270,221
District's portion of the Plan's total net pension Liability	0.06343%	0.06020%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the District recognized pension expense of \$976,253. At June 30, 2016, 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	\$ 339,688	\$ -
Net difference between projected and actual earnings on pension plan investments	-	228,933
Changes in proportion and differences between District contributions and proportionate share of contributions	1,529,135	296,139
District contributions subsequent to the measurement date	513,840	-
Total	<u>\$ 2,382,663</u>	<u>\$ 525,072</u>

The \$525,072 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, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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, 2016**

Note 8: Pension Obligations (continued):

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

<u>Year Ended June 30:</u>	<u>PERS</u>
2017	\$ 324,083
2018	324,083
2019	324,083
2020	582,703
Thereafter	302,641

Actuarial Assumptions - The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
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	3.04%

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, 2016**

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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
Core Bonds	1.75%	1.64%
Intermediate - Term Bonds	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. 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 3.80% as of June 30, 2015, 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 District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

	<u>1%</u> <u>Decrease</u> <u>(3.90%)</u>	<u>Current</u> <u>Discount</u> <u>Rate (4.90%)</u>	<u>1%</u> <u>Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	17,697,110	14,238,819	11,339,413

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/annrpts.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.

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

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
6/30/2016	\$ 1,938,935	100%	-
6/30/2015	1,835,045	100%	-
6/30/2014	1,583,034	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, 2016**

Note 8: Pension Obligations (continued):

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

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
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, 2015 are summarized in the following table:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

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>
US Cash	5.00%	0.53%
Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgage	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - Multistrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. 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 3.80% as of June 30, 2015, 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. 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining 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, 2016**

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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

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
2015-2016	\$ 56,587	\$ 455	\$ 104,764	\$ 688,137
2014-2015	69,246	745	84,164	735,859
2013-2014	31,784	799	129,716	750,032

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

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, 2016 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, 2016:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 310
Special Revenue Fund	15	-
Unemployment Fund	295	-
	<u>\$ 310</u>	<u>\$ 310</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	\$ 7,764	\$ 15
Special Revenue Fund	15	1,376
Fiduciary Funds	-	6,388
	<u>\$ 7,779</u>	<u>\$ 7,779</u>

The purpose of interfund transfers were for short term borrowing.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 14. Fund Balance Disclosures

General Fund (Exhibit B-1) – Of the \$4,867,852 General Fund fund balance at June 30, 2016, \$2,900,696 has been restricted for the Capital Reserve Account; \$1,295,716 is assigned to other purposes and \$671,440 is unassigned.

Capital Projects Fund (Exhibit B-1) – The fund balance of \$351,004 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. 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, 2016 is \$1,950,469.

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, 2016 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, 2016**

Note 17. Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(13,660,257) existed as of June 30, 2016 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 take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

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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, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:					
Local Sources:					
County Appropriations	10-1210	\$ 15,894,974	\$ -	\$ 15,894,974	\$ 1
Tuition from LEAs	10-1300	6,619,536	-	6,611,347	(8,189)
Interest Earned on Capital Reserve Funds		4,000	-	1,322	(2,678)
Rents and Royalties	10-1910	25,000	-	33,763	8,763
Other Local Revenue/Miscellaneous	10-1XXX	50,000	-	146,460	96,460
Total Local Sources		22,593,510	-	22,687,867	94,357
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	-
PARCC Readiness Aid		20,760	-	20,760	-
Per Pupil Growth Aid	10-3XXX	20,760	-	20,760	-
Adult Education Programs Aid		-	94,168	94,168	-
On-behalf of TPAF Pension Contributions	10-3901	-	-	1,056,193	1,056,193
Medical Contributions	10-3901	-	-	1,257,634	1,257,634
Reimbursed TPAF Social Security Contributions (Non-budgeted)	10-3902	-	-	935,070	935,070
Total State Sources		14,506,026	94,168	17,849,091	3,248,897
Federal Sources:					
Special Education - Medicaid Initiative	10-4200	35,133	-	35,133	4,085
Total Federal Services		35,133	-	35,133	4,085
Total Revenues		37,134,669	94,168	40,576,176	3,347,339

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Expenditures:					
Current Expense:					
Regular Programs - Grade 9-12 Instruction:					
Salaries of Teachers	11-140-100-101	5,232,812	(776,957)	4,455,855	-
Instruction Academic - Unused Sick Pay	11-140-100-299	-	15,000	15,000	-
Substitute Teachers - Salaries	11-140-100-300	-	378,549	378,549	-
General Supplies	11-140-100-610	65,200	4,328	69,528	1,126
Textbooks	11-140-100-640	81,000	(24,218)	56,782	-
Home Instruction - Regular Programs:					
Salaries of Teachers	11-150-100-101	8,000	(5,500)	2,500	-
Purchased Professional Educational Services	11-150-100-300	-	8,138	8,138	-
Other Purchased Services	11-150-100-500	-	4,676	4,676	-
Total Regular Programs - Instruction		5,387,012	(395,984)	4,991,028	1,126
Resource Room:					
Salaries of Teachers	11-213-100-101	1,895,242	(249,913)	1,645,329	-
Other Salaries for Instruction	11-213-100-106	661,475	(311,492)	349,983	-
Substitute Teachers - Salaries	11-213-100-300	-	214,580	214,580	-
Total Resource Room		2,556,717	(346,825)	2,209,892	-
Total Special Education		2,556,717	(346,825)	2,209,892	-
Regular Vocational Programs - Instruction:					
Salaries of Teachers	11-310-100-101	3,954,077	(150,411)	3,803,666	-
Other Salaries for Instruction	11-310-100-106	344,339	(211,381)	132,958	-
Purchased Professional Educational Services	11-310-100-320	17,000	192,763	209,763	-
General Supplies	11-310-100-610	374,000	36,266	410,266	407,840
Textbooks	11-310-100-640	76,700	(24,003)	52,697	2,426
Other Objects	11-310-100-800	11,312	(5,997)	5,315	-
General Supplies - Enterprise	11-310-320-600	-	496	496	-
Total Regular Vocational Programs - Instruction		4,777,428	(162,267)	4,615,161	2,426
Special Vocational Programs - Instruction:					
General Supplies	11-320-100-610	8,500	(3,480)	5,020	-
Textbooks	11-320-100-640	-	931	931	-
Total Special Vocational Programs - Instruction:		8,500	(2,549)	5,951	-
School Sponsored Cocurricular Activities - Instruction:					
Salaries	11-401-100-100	490,757	(165,056)	325,721	-
Other Purchased Services	11-401-100-500	-	39,839	39,839	-
Supplies & Materials	11-401-100-610	116,000	17,718	133,718	-
Other Objects	11-401-100-800	4,000	420	4,420	-
Total School Sponsored Cocurricular Activities		610,757	(107,059)	503,698	-

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016		POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	FINAL BUDGET	
School Sponsored Athletics - Instruction:				
Salaries	11-402-100-100	536,169	519,977	519,977
Unused Vacation Time - Retire/Term	11-402-100-199	-	15,415	15,415
Purchased Services	11-402-100-500	32,000	20,558	20,558
Supplies & Materials	11-402-100-610	79,500	56,749	51,951
Other Objects	11-402-100-800	38,000	10,497	10,497
Total School Sponsored Athletics - Instruction		685,669	623,196	618,398
Other Instructional Programs - Instruction	11-4XX-100-100	63,500	25,536	25,536
Total Other Instructional Programs - Instruction		63,500	25,536	25,536
Total Instruction		14,089,583	12,974,462	12,966,112
Undistributed Expenditures:				8,350
Health Services:				
Salaries	11-000-213-100	140,371	116,667	116,667
Purchased Professional & Technical Services	11-000-213-330	30,000	30,429	30,429
Supplies & Materials	11-000-213-600	11,500	28,358	28,358
Total Health Services		181,871	175,454	175,454
Other Support Services - Students - Related Services:				
Salaries	11-000-216-100	79,104	79,104	79,104
Purchased Professional - Educational Services	11-000-216-320	1,000	28,137	28,137
Total Other Support Services - Students - Related - Services		80,104	107,241	107,241
Other Support Services - Students - Regular:				
Salaries of Other Professional Staff	11-000-218-104	1,005,878	932,953	932,953
Salaries of Secretarial & Clerical	11-000-218-105	164,754	164,754	164,754
Other Purchased Services	11-000-218-500	500	550	550
Supplies & Materials	11-000-218-600	3,500	2,635	2,635
Other Objects	11-200-218-800	5,000	6,260	6,260
Total Other Support Services - Students - Regular		1,179,632	1,107,152	1,107,152

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016		POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	FINAL BUDGET	
Other Support Services - Students - Special Services:				
Salaries of Other Professional Staff	11-000-219-104	975,232	959,076	959,076
Salaries of Secretarial & Clerical	11-000-219-105	113,484	164,216	164,216
Other Salaries	11-000-219-110	70,000	45,131	45,131
Unused Vacation Time - Retiree/Term	11-000-219-199	-	33,481	33,481
Purchase Professional - Educational Services	11-000-219-320	196,289	358,347	358,347
Other Purchased Professional & Technical Services	11-000-219-390	4,000	6,616	6,616
Other Purchased Services	11-000-219-500	6,500	5,939	5,939
Supplies & Materials	11-000-219-600	2,000	11,292	11,292
Other Objects	11-000-219-800	5,000	8,160	8,160
Total Other Support Services - Students - Special Services		1,372,505	1,592,258	1,592,258
Improvement of Instructional Services				
Salaries - Supervisor of Instruction	11-000-221-102	78,856	370,266	370,266
Salaries of Other Professional Staff	11-000-221-104	8,000	7,239	7,239
Salaries of Secretarial & Clerical	11-000-221-105	102,666	87,500	87,500
Other Purchased Professional & Technical Services	11-000-221-390	78,695	104,756	104,756
Other Purchased Services	11-000-221-500	7,380	12,699	12,699
Supplies & Materials	11-000-221-600	72,468	69,386	69,386
Other Objects	11-000-221-800	5,000	2,777	2,777
Total Improvement of Instructional Services		353,065	654,623	654,623
Educational Media Services/School Library:				
Salaries	11-000-222-100	120,085	120,085	120,085
Other Purchased Services	11-000-222-500	6,000	-	-
Supplies & Materials	11-000-222-600	20,500	23,030	23,030
Other Objects	11-000-222-800	2,000	-	-
Total Educational Media Services/School Library		148,585	143,115	143,115
Instructional Staff Training Services:				
Salaries of Other Professional Staff	11-000-223-104	8,000	-	-
Purchased Professional - Educational Services	11-000-223-320	20,000	11,645	11,645
Other Purchased Professional & Technical Services	11-000-223-390	17,618	5,269	5,269
Other Purchased Services	11-000-223-500	5,500	1,330	1,330
Total Instructional Staff Training Services		51,118	18,244	18,244
Support Services General Administration:				
Salaries	11-000-230-100	184,062	208,518	208,518
Other Purchased Professional Services	11-000-230-300	-	49,276	49,276
Legal Services	11-000-230-331	184,915	259,915	259,915
Audit Services	11-000-230-332	75,000	55,000	55,000
Communications/Telephone	11-000-230-330	52,500	30,457	30,457
BOE Other Purchased Services	11-000-230-585	2,000	11,137	11,137
General Supplies	11-000-230-610	8,530	10,167	10,167
Settlements	11-000-230-820	-	29,000	29,000
Miscellaneous Expenditures	11-000-230-890	29,736	16,205	16,205
Total Support Services General Administration		406,828	669,675	669,675

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Support Services School Administration:					
Salaries of Principals & Assistant Principals	11-000-240-103	936,381	59,721	996,102	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	649,082	(76,006)	573,076	-
Unused Vacation Pay	11-000-240-199	25,490	-	25,490	-
Other Purchased Professional Services	11-000-240-300	-	26,532	26,532	-
Outside Workshops	11-000-240-390	1,500	(1,025)	475	-
Other Purchased Services	11-000-240-500	2,700	80,167	82,867	80,287
Supplies & Materials	11-000-240-600	60,553	(1,410)	59,143	-
Other Objects	11-000-240-800	109,464	(98,020)	11,444	-
Total Support Services School Administration		1,759,680	15,449	1,775,129	2,580
Central Services:					
Salaries	11-000-251-100	617,572	(12,817)	604,755	-
Other Purchased Professional Services	11-000-251-330	22,180	2,970	25,150	-
Purchased Technical Services	11-000-251-340	35,000	(3,540)	31,460	-
Supplies and Materials	11-000-251-600	88,000	19,128	107,128	103,020
Interest on Current Loans	11-000-251-831	10,000	(10,000)	-	-
Shared Service Agreement - County Board of Freeholders	11-000-251-897	2,000,000	-	2,000,000	-
Total Central Services		2,772,752	(4,259)	2,768,493	4,108
Information Technology:					
Salaries	11-000-252-100	102,356	(99,078)	3,278	-
Purchased Technical Services	11-000-252-340	439,150	141,087	580,237	-
Communications	11-000-252-530	147,000	34,504	181,504	-
General Supplies	11-000-252-610	17,887	175,960	193,847	148,684
Miscellaneous Expenditures	11-000-252-800	1,000	(1,000)	-	-
Total Information Technology Services		707,393	251,473	958,866	45,163
Operation & Maintenance of Plant:					
Required Maintenance for School Facilities:					
Salaries	11-000-261-100	138,504	(55,001)	83,503	-
Other Purchased Professional Services	11-000-261-300	-	39,309	39,309	-
Cleaning, Repair & Maintenance Services	11-000-261-420	210,214	222,916	433,130	378,455
Travel & Mileage	11-000-261-580	-	400	400	-
General Supplies	11-000-261-610	251,719	(19,564)	232,155	188,101
Other Objects	11-000-261-800	55,764	(55,764)	-	-
Total Allowable Maintenance for School Facilities		656,201	132,296	788,497	689,768
Total		2,772,752	(4,259)	2,768,493	4,108

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Operation & Maintenance of Plant:						
Salaries	11-000-262-100	1,934,217	(284,293)	1,649,924	1,649,924	-
Unused Vacation Pay	11-000-262-199	-	32,219	32,219	32,219	-
Other Sick Pay	11-000-262-299	-	30,000	30,000	30,000	-
Other Purchased Professional Services	11-000-262-300	-	111,643	111,643	111,643	-
Cleaning, Repair & Maintenance Services	11-000-262-420	48,600	(9,665)	38,935	38,935	-
Other Purchased Property Services	11-000-262-490	105,000	(8,329)	96,671	96,671	-
Insurance	11-000-262-520	775,950	(90,460)	685,490	685,490	-
General Supplies	11-000-262-610	137,534	(36,813)	100,721	100,721	-
Energy (Natural Gas)	11-000-262-621	210,000	(167,157)	42,843	42,843	-
Energy (Electric)	11-000-262-622	1,874,738	(773,505)	1,101,233	1,101,233	-
Other Objects	11-000-262-800	4,500	(4,225)	275	275	-
Total Other Operation & Maintenance of Plant		5,090,539	(1,200,585)	3,889,954	3,889,954	-
Security						
Salaries	11-000-266-100	371,563	(371,563)	-	-	-
Purchased Professional & Technical Services	11-000-266-300	225,750	451,800	677,550	677,550	-
General Supplies	11-000-266-600	3,000	55,079	55,079	55,079	-
Total Security		600,313	132,316	732,629	732,629	-
Total Operation & Maintenance of Plant		6,347,053	(935,973)	5,411,080	5,312,351	98,729
Student Transportation Services:						
Salaries for Pupil Transportation - (Other Than Between Home & School)	11-000-270-162	156,000	41,758	197,758	197,758	-
Contracted Services - (Other Than Between Home & School) Vendors	11-000-270-512	83,000	(14,551)	68,449	68,449	-
Total Student Transportation Services		239,000	27,207	266,207	266,207	-
Allocated Benefits:						
Special Programs - Instruction - Employee Benefits:						
Health Benefits	11-2xx-100-270	-	1,950	1,950	1,950	-
Vocational Programs - Instruction - Employee Benefits:						
Health Benefits	11-3xx-100-270	-	30,000	30,000	30,000	-
Other Instructional Programs - Instruction - Employee Benefits:						
Health Benefits	11-4xx-100-270	-	7,500	7,500	7,500	-
Other Support Services - Students - Regular - Employee Benefits:						
Health Benefits	11-000-218-270	-	11,909	11,909	11,909	-
Other Support Services - Student - Special Ed - Employee Benefits:						
Health Benefits	11-000-219-270	-	21,719	21,719	21,719	-

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016		POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	FINAL BUDGET	
Support Services - School Administration - Employee Benefits:				
Health Benefits	11-000-240-270	-	22,500	22,500
Total Allocated Benefits		-	95,578	95,578
Unallocated Benefits - Employee Benefits:				
Social Security	11-000-291-220	656,250	629,950	629,950
Other Retirement Contributions	11-000-291-241	650,000	553,038	553,038
Health Benefits	11-000-291-270	5,422,661	4,847,675	4,847,675
Tuition Reimbursements	11-000-291-280	75,000	75,000	75,000
Total Unallocated Benefits		6,803,911	6,105,663	6,105,663
Total Personal Services - Employee Benefits		6,803,911	6,201,241	6,201,241
Nonbudgeted:				
On-Behalf TPAF Pension Contribution		-	-	1,056,193
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	1,257,634
Reimbursed TPAF Social Security Contributions		-	-	935,070
Total Undistributed Expenditures		22,403,497	21,848,778	24,947,095
Total Expenditures - Current Expense		36,493,080	34,823,240	37,913,207
Capital Outlay:				
Interest Deposit to Capital Reserve	10-604-000-000	4,000	4,000	4,000
Equipment:				
Grades 9-12	12-140-100-730	2,000	(2,000)	-
Vocational Programs - Regular Programs	12-310-100-730	21,500	27,890	49,390
Undistributed Expenditures:				
Information Technology	12-000-252-730	-	123,966	21,063
Required Maintenance for School Facilities	12-000-261-730	35,100	440,425	440,425
Security	12-000-266-730	109,496	523,168	523,168
School Vehicles	12-000-270-730	-	246,871	246,871
Total Equipment		172,096	1,215,724	1,034,046

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Facilities Acquisition & Construction Services:					
Construction Services	12-000-400-450	339,533	1,970,418	2,309,951	1,419,932
Architectural/Engineering Services	12-000-400-334	15,000	77,217	92,217	92,217
Assessment for Debt Service on SDA Funding	12-000-400-896	236,013	-	236,013	236,013
Total Facilities Acquisition & Construction Services		590,546	2,047,635	2,638,181	1,748,162
Total Capital Outlay		762,642	3,263,359	4,026,001	2,782,208
Post Secondary Programs					
Instruction:					
General Supplies	13-330-100-600	-	48,388	48,388	48,388
Equipment	13-600-100-730	-	45,780	45,780	45,780
Total Instruction		-	94,168	94,168	94,168
Total Post Secondary Programs		-	94,168	94,168	-
General Fund Grand Total Expenditures		37,255,722	1,687,687	38,943,409	40,789,583
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(121,053)	(1,593,519)	(1,714,572)	(213,407)
Other Financing Sources/(Uses):					
Transfer from Other Funds		-	-	-	(110,491)
Total Other Financing Sources/(Uses)		-	-	-	(110,491)
Excess/(Deficiency) of Revenues & Other Financing Sources/(Uses) Over/(Under) Expenditures & Other Financing Uses		(121,053)	(1,593,519)	(1,714,572)	(323,898)
Fund Balances, July 1		6,626,269	-	6,626,269	6,626,269
Fund Balances, June 30		\$ 6,505,216	\$ (1,593,519)	\$ 4,911,697	\$ 6,302,371

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 1,593,519
Total Budget Transfers	<u>\$ 1,593,519</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:		
Capital Reserve	\$ 2,900,696	
Assigned Fund Balance:		
ARRA - Special Education - Medicaid Initiative	7,585	
Year-end Encumbrances	1,288,131	
Unassigned Fund Balance	<u>2,108,959</u>	
Subtotal	<u>6,302,371</u>	
Reconciliation to Governmental Fund Statements (GAAP):		
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(1,434,519)</u>	
Fund Balance per Governmental Funds (GAAP)	<u>\$ 4,867,852</u>	

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016				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	685,513	1,496,714	1,496,714	-
Total Revenues	811,201	704,513	1,515,714	1,515,714	-
EXPENDITURES:					
Instruction:					
Salaries of Teachers	501,186	381,643	882,829	882,829	-
Instruction Purchased Services	-	16,258	16,258	16,258	-
General Supplies	284,828	(32,882)	251,946	251,946	-
Total Instruction	786,014	365,019	1,151,033	1,151,033	-
Support Services:					
Salaries	-	9,000	9,000	9,000	-
Personal Services - Employee Benefits	25,187	129,061	154,248	154,248	-
Purchased Professional - Educational Services	-	100	100	100	-
Other Purchased Services (400-500 Series)	-	46,349	46,349	46,349	-
Supplies & Materials	-	9,914	9,914	9,914	-
Total Support Services	25,187	194,424	219,611	219,611	-
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	145,070	145,070	145,070	-
Total Facilities Acquisition & Construction Services	-	145,070	145,070	145,070	-
Total Expenditures	811,201	704,513	1,515,714	1,515,714	-
Total Outflows	811,201	704,513	1,515,714	1,515,714	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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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, 2016**

**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)	\$ 40,576,176	\$ 1,515,714
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,425,199	-
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)	(1,434,519)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 40,566,856</u>	<u>\$ 1,515,714</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 40,789,583	\$ 1,515,714
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.	-	-
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 40,789,583</u>	<u>\$ 1,515,714</u>

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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 THREE FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.06343%	0.06020%	0.06244%
District's proportionate share of the net pension liability (asset)	\$ 14,238,819	\$ 11,270,221	\$ 11,934,066
District's covered-employee payroll	\$ 4,389,877	\$ 4,399,282	\$ 4,152,325
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	324.36%	256.18%	287.41%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	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 THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 608,022	\$ 545,330	\$ 496,242
Contributions in relation to the contractually required contribution	<u>608,022</u>	<u>545,330</u>	<u>496,242</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,389,877	\$ 4,399,282	\$ 4,152,325
Contributions as a percentage of covered- employee payroll	13.85%	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 THREE FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.13118%	0.14176%	0.15386%
State's proportionate share of the net pension liability (asset) associated with the District	\$82,910,065	\$ 75,768,194	\$ 77,761,685
District's covered-employee payroll	\$13,164,356	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	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, 2016

Teachers Pension and Annuity Fund (TPAF)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 28, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. 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.

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)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. 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.

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 males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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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, 2016**

	TITLE I	TITLE II PART A	IDEA PART B
Revenues:			
Federal Sources	\$ 558,217	\$ 53,065	\$ 523,589
	<hr/>	<hr/>	<hr/>
Total Revenues	<u>\$ 558,217</u>	<u>\$ 53,065</u>	<u>\$ 523,589</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 329,502	\$ 29,738	\$ 523,589
General Supplies	53,192	-	-
Other Objects	-	-	-
	<hr/>	<hr/>	<hr/>
Total Instruction	<u>382,694</u>	<u>29,738</u>	<u>523,589</u>
Support Services:			
Personal Services -			
Employee Benefits	142,622	11,626	-
Other Purchased Services (400-500 Series)	<u>32,901</u>	<u>11,701</u>	<u>-</u>
Total Support Services	<u>175,523</u>	<u>23,327</u>	<u>-</u>
Total Expenditures	<u>\$ 558,217</u>	<u>\$ 53,065</u>	<u>\$ 523,589</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, 2016**

	PERKINS SECONDARY	PERKINS POST SECONDARY	APPRENTICE COORDINATOR	TOTALS
Revenues:				
Federal Sources	\$ 252,637	\$ 109,206	\$ -	\$ 1,496,714
State Sources	-	-	19,000	19,000
	<hr/>			
Total Revenues	\$ 252,637	\$ 109,206	\$ 19,000	\$ 1,515,714
	<hr/>			
Expenditures:				
Instruction:				
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 882,829
Instruction Purchased Services	16,258	-	-	16,258
General Supplies	140,997	57,757	-	251,946
	<hr/>			
Total Instruction	157,255	57,757	-	1,151,033
	<hr/>			
Support Services:				
Salaries	-	-	9,000	9,000
Personal Services - Employee Benefits	-	-	-	154,248
Purchased Professional - Educational Services	100	-	-	100
Other Purchased Services (400-500 Series)	1,661	-	86	46,349
Supplies & Materials	-	-	9,914	9,914
	<hr/>			
Total Support Services	1,761	-	19,000	219,611
	<hr/>			
Facilities Acquisition & Construction Services:				
Instructional Equipment	93,621	51,449	-	145,070
	<hr/>			
Total Expenditures	\$ 252,637	\$ 109,206	\$ 19,000	\$ 1,515,714
	<hr/>			

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, 2016**

PROJECT TITLE	DATE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2016
			PRIOR YEARS	CURRENT YEAR	
Reroofing of Medford Campus	01/06/2014	\$ 2,059,377	\$ 1,497,597	\$ (13,936)	\$ 575,716
			<u>Total \$ 1,497,597</u>	<u>\$ (13,936)</u>	<u>\$ 575,716</u>
Reconciliation - Unexpended Capital Project					
<u>Balances to Fund Balance - June 30, 2016:</u>					
			Unexpended Project Balances June 30, 2016		\$ 575,716
			Less:		
			Unexpended State Aid - ROD Grants		<u>(224,712)</u>
			Total Fund Balance (GAAP Basis) - June 30, 2016		<u><u>\$ 351,004</u></u>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Revenues & Other Financing Sources	
Cancellation of Prior Year Accounts Payable	<u>\$ -</u>
Total Revenues	<u>-</u>
Expenditures & Other Financing Uses:	
Cancellation of Prior Year Accounts Receivable	<u>(13,936)</u>
Total Expenditures	<u>(13,936)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	13,936
Fund Balance - Beginning	<u>561,780</u>
Fund Balance - Ending	<u><u>\$ 575,716</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, 2016**

	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	1,297,726	-	1,297,726	1,859,506
Cancellation of Prior Year AR and AP	-	(13,936)	(13,936)	-
Total Expenditures	1,497,597	(13,936)	1,483,661	2,059,377
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 561,780	\$ 13,936	\$ 575,716	\$ -

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	72.04%
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, 2016**

ASSETS	PRIVATE PURPOSE	AGENCY FUNDS		TOTALS
	UNEMPLOYMENT COMPENSATION INSURANCE	STUDENT ACTIVITY	PAYROLL	
Assets:				
Cash & Cash Equivalents	\$ 704,545	\$ 102,841	\$ 150,411	\$ 957,797
Interfund Receivable	295	-	-	295
Total Assets	704,840	102,841	150,411	958,092
LIABILITIES				
Liabilities:				
Unemployment Claims Payable	16,703	-	-	16,703
Payroll Deductions & Withholdings	-	-	150,411	150,411
Due to Student Groups	-	102,841	-	102,841
Total Liabilities	16,703	102,841	150,411	269,955
NET POSITION				
Restricted	688,137	-	-	688,137
Total Net Position	\$ 688,137	\$ -	\$ -	\$ 688,137

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2016**

	PRIVATE PURPOSE	
	UNEMPLOYMENT COMPENSATION INSURANCE	TOTALS
Additions:		
Local Sources:		
Employee Salary Deductions	\$ 56,587	\$ 56,587
Total Operating Revenues	56,587	56,587
Other Sources:		
Interest on Investments	455	455
Total Additions	57,042	57,042
Deductions:		
Unemployment Compensation Insurance Claims	104,764	104,764
Change in Net Position	(47,722)	(47,722)
Net Position, July 1	735,859	735,859
Net Position, June 30	\$ 688,137	\$ 688,137

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BALANCE JULY 1, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2016
Westampton Campus	\$ 125,250	\$ 176,044	\$ 265,177	\$ 36,117
Medford Campus	82,044	154,823	170,143	66,724
Total Student Activity	\$ 207,294	\$ 330,867	\$ 435,320	\$ 102,841

**PAYROLL FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DISBURSEMENTS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$ 157,336	\$ 26,763,356	\$ 26,770,281	\$ 150,411
Total Assets	\$ 157,336	\$ 26,763,356	\$ 26,770,281	\$ 150,411
LIABILITIES				
Payroll Deductions & Withholdings Due to General Fund	\$ 150,948 6,388	\$ 14,040,124 -	\$ 14,040,661 6,388	\$ 150,411 -
Net Payroll	-	12,723,232	12,723,232	-
Total Liabilities	\$ 157,336	\$ 26,763,356	\$ 26,770,281	\$ 150,411

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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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net Investment in Capital Assets	\$ 47,939,589	\$ 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
Restricted	4,547,416	4,959,664	3,677,889	2,730,958	1,402,644	1,465,295	897,677	1,570,540	718,480	700,212
Unrestricted	(13,660,257)	(13,203,076)	(664,447)	(776,970)	(728,879)	(828,559)	(1,373,550)	(803,548)	462,793	195,543
Total Governmental Activities	\$ 38,826,748	\$ 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
Business-Type Activities:										
Net Investment in Capital Assets	\$ 8,613	\$ 10,048	\$ 11,484	\$ 12,920	\$ 14,356	\$ -	\$ -	\$ -	\$ 214,087	\$ 173,382
Unrestricted	561,944	812,121	1,164,659	1,399,848	1,362,480	1,255,691	1,020,181	839,025	717,217	446,959
Total Business-Type Activities	\$ 570,557	\$ 822,169	\$ 1,176,143	\$ 1,412,768	\$ 1,376,836	\$ 1,255,691	\$ 1,020,181	\$ 839,025	\$ 931,304	\$ 620,341
District-Wide:										
Net Investment in Capital Assets	\$ 47,948,202	\$ 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
Restricted	4,547,416	4,959,664	3,677,889	2,730,958	1,402,644	1,465,295	897,677	1,570,540	718,480	700,212
Unrestricted	(13,098,313)	(12,390,955)	500,212	622,878	633,601	427,132	(353,369)	35,477	1,180,010	642,502
Total District Net Position	\$ 39,397,305	\$ 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

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

	FISCAL YEAR ENDING JUNE 30.									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 6,140,935	\$ 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
Special	2,209,892	2,127,520	-	-	121,124	67,646	92,558	79,247	92,118	95,502
Other Special Educational Instruction	-	-	-	-	9,557	7,782	9,185	7,610	8,223	7,548
Vocational	4,618,686	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
Other	1,147,632	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
Support Services:										
Student & Instruction Related Services	3,863,450	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
Other Administrative Services	669,675	472,789	673,373	691,287	711,855	949,840	1,007,380	920,625	1,039,938	981,430
School Administrative Services	5,450,637	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
Plant Operations & Maintenance	5,312,351	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
Student Transportation	266,207	227,069	224,603	175,302	215,929	230,354	221,492	199,452	270,847	195,439
Business & Other Support Services	-	-	-	-	-	-	-	677,369	766,148	724,514
Employee Benefits	14,041,522	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
Special Schools	94,168	-	-	-	-	1,203	1,589,483	1,812,123	1,913,351	1,851,357
Contribution for County Debt Service	236,013	236,013	2,236,013	2,153,063	2,011,529	191,780	1,200,000	-	-	-
Increase In Compensated Absences	119,224	400,465	48,091	53,826	(47,604)	(65,509)	12,438	402,392	-	-
Adjustment To Fixed Assets	-	-	-	(24,132)	(788,067)	-	-	-	-	-
Unallocated Depreciation	3,386,374	2,885,486	947,855	2,562,851	2,439,823	2,285,883	2,285,883	2,285,883	-	-
Total Governmental Activities Expenses	47,556,766	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
Business-Type Activities:										
Food Service	1,289,212	1,261,877	915,279	834,659	882,459	838,445	831,888	851,636	778,532	731,346
School Store	-	-	49,515	59,256	74,601	37,100	50,282	100,595	96,960	180,507
Adult Education Programs	1,405,586	1,295,334	1,122,879	1,484,265	964,201	1,109,821	719,227	852,612	888,940	865,226
Culinary Arts	-	-	113,983	99,065	78,759	98,829	81,379	96,542	133,701	151,430
Beaver's Den Child Care	178,374	185,651	151,021	145,780	170,893	163,530	139,586	166,537	176,509	150,221
Summer Camps	38,562	-	-	-	-	44,728	30,037	27,896	28,360	38,343
Educational Technology Training Center	-	-	-	-	414	-	-	19,677	20,197	30,191
Youth Transition to Work	-	-	-	-	566	-	115	-	-	450
Emergency Services Training Center	-	-	104,656	114,321	124,813	125,814	134,367	134,909	122,331	127,377
Culinary Express	-	-	13,863	7,061	3,051	4,877	-	-	-	-
Print Shop	-	-	23,318	5,545	1,159	144	651	-	5,066	4,283
Auto Body	-	-	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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Business-Type Activities Expense	2,911,734	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
Total District Expenses	\$ 50,468,500	\$ 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
Revenues:										
Operating Grants & Contributions	\$ 8,625,754	\$ 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
Total Governmental Activities Program Revenues	8,625,754	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
Business-Type Activities:										
Charges for Services:										
Food Service	587,796	694,103	438,969	403,138	448,885	483,537	488,583	504,109	464,391	453,416
School Store	-	-	50,131	58,481	62,333	53,908	61,846	70,468	115,009	198,579
Adult Education Program	1,210,210	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
Culinary Arts	-	-	96,402	90,206	71,260	85,056	85,922	108,320	164,380	157,247
Beaver's Den Child Care	173,869	173,953	175,079	169,976	148,224	157,930	158,023	162,068	187,185	164,978
Summer Camps	39,025	-	-	-	-	-	-	-	-	-
Educational Technology Training Center	-	-	-	-	-	3,926	5,483	13,504	13,910	19,247
Youth Transitions to Work	-	-	-	-	-	-	-	-	-	2,050
Emergency Services Training Center:										
Food Services	-	-	-	-	-	-	-	-	-	17,450
Culinary Express	-	-	94,976	103,311	132,050	127,872	145,097	139,154	157,763	120,601
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	538,731	508,849	475,088	491,433	441,529	390,207	322,626	322,565	305,299	258,454
Total Business Type Activities Program Revenues	2,549,631	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
Total District Program Revenues	\$ 11,175,385	\$ 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

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net/(Expense)/Revenue:										
Governmental Activities	\$ (38,931,012)	\$ (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)
Business-Type Activities	(362,103)	(303,504)	(236,625)	35,932	119,064	173,571	(18,844)	121,806	310,962	248,603
Total District-Wide Net Expense	\$ (39,293,115)	\$ (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)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
County Appropriations	\$ 15,894,975	\$ 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
Unrestricted Grants & Contributions	14,775,162	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
Tuition Received	6,611,347	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
Investment Earnings	-	4,826	4,826	14,990	-	-	19,081	28,719	62,726	128,943
Miscellaneous Income	195,481	203,081	22,878	41,293	66,627	112,304	58,333	163,786	71,305	75,568
Other Financing Sources - Transfers, Miscellaneous / Other	(110,491)	-	-	-	18,327	-	(188,463)	(3,551,222)	(151,720)	(37,024)
Total Governmental Activities	37,366,474	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
Business-Type Activities	110,491	(50,470)	-	-	2,081	61,939	200,000	(214,087)	-	-
Total District-Wide	\$ 37,476,965	\$ 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
Change in Net Position:										
Governmental Activities	\$ (1,564,538)	\$ 72,923	\$ 1,545,396	\$ 425,802	\$ (127,315)	\$ (87,284)	\$ (1,553,330)	\$ (4,964,586)	\$ (828,432)	\$ (792,727)
Business-Type Activities	(251,612)	(553,974)	(236,625)	35,932	121,145	235,510	181,156	(92,281)	310,962	248,603
Total District	\$ (1,816,150)	\$ (281,051)	\$ 1,308,771	\$ 461,734	\$ (6,170)	\$ 148,226	\$ (1,372,174)	\$ (5,056,867)	\$ (517,470)	\$ (544,124)

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Restricted	\$ 2,900,696	\$ 3,021,492	\$ 2,032,580	\$ 1,910,267	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	1,295,716	1,601,104	581,563	820,691	857,547	1,420,198	852,580	1,510,668	505,835	239,029
Unassigned	671,440	578,474	766,333	605,719	599,984	547,908	68,426	625,990	1,568,047	1,419,507
Total General Fund	\$ 4,867,852	\$ 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
All Other Governmental Funds:										
Restricted	\$ 351,004	\$ 337,068	\$ 1,063,746	\$ -	\$ -	\$ -	\$ -	\$ 8,610	\$ 78,921	\$ 237,492
Assigned, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	(18,108)	(4,408)
Capital Project Fund	-	-	-	-	45,097	45,097	45,097	51,262	73,724	322,798
Total All Other Governmental Funds	\$ 351,004	\$ 337,068	\$ 1,063,746	\$ -	\$ 45,097	\$ 45,097	\$ 45,097	\$ 59,872	\$ 134,537	\$ 555,882

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
County Appropriations	\$ 15,894,975	\$ 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
Tuition from LEA's	6,611,347	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
Other Tuition	-	-	-	-	-	-	733,174	744,645	656,731	772,321
Miscellaneous	181,545	157,437	27,704	101,380	66,627	112,304	77,414	192,505	134,030	204,511
State Sources	17,858,771	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
Federal Sources	1,535,932	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
Total Revenue	42,082,570	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
Expenditures:										
Instruction:										
Regular Instruction	6,140,935	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
Special Education Instruction	2,209,892	2,127,520	-	-	-	-	-	-	-	-
Basic Skills/Remedial	-	-	-	-	121,124	67,646	92,558	79,247	87,158	92,343
Bilingual Education	-	-	-	-	9,557	7,782	9,185	7,610	7,780	7,298
Vocational	4,618,686	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
School - Sponsored/Other Instructional	1,147,632	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
Support Services:										
Student & Instruction Related										
Services	3,863,450	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
General Administration	669,675	472,789	673,373	691,287	711,855	949,840	1,007,380	920,625	983,943	948,967
School Administration	5,450,637	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
Plant Operations & Maintenance	5,312,351	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
Student Transportation	266,207	227,069	224,603	175,302	215,929	230,354	221,492	199,452	256,264	188,974
Business & Other Support										
Services	-	-	-	-	-	-	-	-	677,369	700,549
Employee Benefits	9,604,386	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

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenditures (continued):										
County Contribution	236,013	236,013	2,236,013	2,153,063	2,011,529	-	-	-	-	-
Capital Outlay	2,691,265	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
Special Schools	94,168	-	-	-	-	1,203	1,589,483	1,812,123	1,810,327	1,790,120
Total Expenditures	42,305,297	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
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(222,727)	1,043,446	1,107,545	1,379,146	(69,992)	1,006,376	(1,082,323)	118,116	106,091	(1,086,661)
Other Financing Sources/(Uses):										
Miscellaneous/Other Operating Transfers In/(Out)	13,936	-	-	(45,097)	-	-	11,537	-	(45,199)	2,976
	(110,491)	50,470	-	-	18,327	-	(200,000)	(170,000)	(106,521)	(40,000)
Total Other Financing Sources/ (Uses)	(96,555)	50,470	-	(45,097)	18,327	-	(188,463)	(170,000)	(151,720)	(37,024)
Net Change in Fund Balances	\$ (319,282)	\$ 1,093,916	\$ 1,107,545	\$ 1,334,049	\$ (51,665)	\$ 1,006,376	\$ (1,270,786)	\$ (51,884)	\$ (45,629)	\$ (1,123,685)

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Nonresident Tuition & Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,743	\$ 12,171	\$ 15,486
Interest on Investments	3,381	3,381	1,260	14,990	16,078	30,526	19,081	28,719	62,726	128,943
Prior Year Worker's Comp. Claims	-	-	-	-	-	-	-	97,541	-	-
Rents \ Leases	16,730	16,730	-	12,543	18,406	26,370	35,750	48,325	52,306	55,586
Character Education Aid	-	-	-	-	-	-	-	-	-	-
Miscellaneous Refunds	87,918	87,918	-	-	-	10,886	-	-	812	151
Miscellaneous Fees	39,753	49,408	26,444	72,149	32,143	44,522	22,583	3,177	1,768	1,882
Miscellaneous Awards	-	-	-	-	-	-	-	-	436	370
Insurance Refunds	-	-	-	-	-	-	-	-	-	2,090
Sale of Furniture & Equipment	-	-	-	-	-	-	-	-	-	-
Total	\$ 147,782	\$ 157,437	\$ 27,704	\$ 99,682	\$ 66,627	\$ 112,304	\$ 77,414	\$ 192,505	\$ 134,031	\$ 204,508

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)
2015	450,226	24,198,296,822	53,747	5.80%
2014	449,722	23,222,744,636	51,638	6.30%
2013	450,141	23,024,262,009	51,149	8.90%
2012	451,207	22,321,661,497	49,471	8.90%
2011	450,531	21,438,968,166	47,586	9.00%
2010	449,174	21,283,660,816	47,384	8.50%
2009	446,108	21,305,225,864	47,758	4.40%
2008	445,492	20,624,052,140	46,295	3.80%
2007	446,314	19,869,452,966	44,519	4.10%
2006	447,131	18,781,290,524	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
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS**

FUNCTION/PROGRAM	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction:										
Regular	80.00	84.00	86.00	82.00	77.00	74.00	75.00	73.00	79.00	85.00
Special Education	26.00	29.00	28.00	29.00	31.00	41.00	45.00	41.00	36.00	35.00
Other Special Education	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00
Vocational	44.00	44.00	54.00	51.00	52.00	53.50	59.50	59.50	59.50	60.50
Adult/Continuing Education Programs	10.00	9.00	0.00	0.00	0.00	0.00	8.50	14.50	12.50	15.50
Support Services:										
Student & Instructional Related Services	42.00	46.00	57.00	53.00	58.00	59.00	61.00	56.00	59.00	58.00
General Administration Services	8.00	9.00	10.00	4.00	5.00	5.00	4.00	4.00	5.00	5.00
School Administration Services	32.00	31.00	31.00	35.00	39.00	40.00	43.00	43.00	44.00	45.00
Business Administrative Services	8.00	7.00	1.00	6.00	6.00	6.00	6.00	9.00	9.00	5.00
Plant Operations & Maintenance	39.00	37.00	38.00	38.00	39.00	42.00	45.00	49.00	47.00	48.00
Total	289.00	296.00	305.00	299.00	308.00	321.50	348.00	350.00	351.00	358.00

Source: District Records

**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
2016	2,001	\$40,789,583	20,385	11.50%	150.0	13.3	2030.33	1915.32	2.17%	94.34%
2015	2,007	37,961,119	18,914	-0.10%	157.0	12.8	2032.78	1923.3	0.29%	94.61%
2014	2,000	37,865,915	18,933	2.16%	168.0	11.9	2026.99	1917.4	-1.84%	94.59%
2013	2,034	37,696,837	18,533	-5.32%	163.0	11.9	2064.9	1935.9	3.91%	93.75%
2012	1,955	38,268,520	19,575	7.07%	160.0	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%	92.77%
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	-0.60%	180.5	11.8	2,098.4	1,909.3	7.58%	90.99%

Source: District Records

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
High School:										
Westampton:										
Square Feet	316,957	316,957	316,957	316,957	316,957	316,957	316,957	316,957	316,957	316,957
Capacity (Students)	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390
Enrollment	1,211	1,208	1,200	1,166	1,188	1,139	1,139	1,089	1,149	1,220
Medford:										
Square Feet	250,422	250,422	250,422	250,422	250,422	250,422	250,422	250,422	250,422	250,422
Capacity	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150
Enrollment	790	799	800	770	767	829	829	823	884	918

Number of Schools at June 30, 2016:
Senior High School = 2

Source: District Facilities Office

**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
2016	\$ 353,381	\$ 336,387	\$ 689,768
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
Total	<u>\$ 4,192,512</u>	<u>\$ 4,013,085</u>	<u>\$ 8,205,597</u>

Source: District records

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
INSURANCE SCHEDULE
JUNE 30, 2016**

EXHIBIT J-20

Insurance Overview:	EXPOSURE	PREMIUM
PROPERTY:	128,096,089	111,004
ENVIRONMENTAL PACKAGE		
EXCLUDES UST:	1,000,000	INCLUDED
BEAZLEY BREACH RESPONSE:	1,000,000	INCLUDED
CRISIS MANAGEMENT:	VARIOUS	INCLUDED
EDP:	1,260,000	3,539
EQUIPMENT BREAKDOWN:	100,000,000	8,197
 CRIME:		
FAITHFUL PERFORMANCE:	100,000	348
FORGERY & ALTERATION:	50,000	162
MONEY & SECURITIES:	50,000	463
MONEY ORDERS/COUNTERFEIT:	50,000	463
COMPUTER FRAUD:	50,000	34
 GENERAL LIABILITY:	16,000,000	43,859
 AUTO LIABILITY:	16,000,000	53,899
AUTO PHYSICAL DAMAGE:	ACV BASIS	9,204
	REPLACEMENT COST	
	ON BUSES	
 WORKERS COMPENSATION:	PROFESSIONAL: 19,320,000	310,602
	NON PROF: 2,120,000	
	EXPERIENCE MOD: .8360	
 WC SUPPLEMENTAL INDEMNITY:	7 DAYS	8,731
 SCHOOL LEADERS ERRORS & OMISSIONS:	16,000,000	69,712
	15,000 DEDUCTIBLE	
 STUDENT ACCIDENT:	SILVER PLAN	26,500
INCLUDING DAY CARE:	YES	150
STUDENT ACCIDENT CAT:		6,709
 TOTAL PREMIUM		653,576

Source: District records

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

SINGLE AUDIT SECTION

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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, 2016, 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 November 9, 2016.

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 Finding 2016-001.

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
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
November 9, 2016



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND NEW JERSEY OMB CIRCULAR 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 Compliance Supplement* and the *New Jersey State 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, 2016. 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *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 15-08,

Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major 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.

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, 2016.

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 the Uniform Guidance and New Jersey OMB's Circular 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 the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
November 9, 2016

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) 2016	DEFERRED REVENUE 2016	DUE TO GRANTOR 2016
U.S. Department of Agriculture: Passed-through State Department of Education: Child Nutrition Cluster: Non-Cash Assistance: Food Distribution Program	10.555	1616INJ304N1099	\$66,577	7/1/15-6/30/16	\$ -	\$ 66,577	\$ (66,577)	\$ -	\$ -	\$ -	\$ -
Cash Assistance: School Breakfast Program	10.553	1616INJ304N1099	104,564	7/1/14-6/30/15	(8,536)	8,536	-	-	-	-	-
School Breakfast Program	10.553	1616INJ304N1099	121,787	7/1/15-6/30/16	-	111,811	(121,787)	-	(9,976)	-	-
National School Lunch Program	10.555	1616INJ304N1099	336,076	7/1/14-6/30/15	(21,645)	21,645	-	-	-	-	-
National School Lunch Program	10.555	1616INJ304N1099	342,618	7/1/15-6/30/16	-	320,633	(342,618)	-	(21,985)	-	-
Total Child Nutrition Cluster			(30,181)		529,202	(530,982)	-	-	(31,961)	-	-
Total U.S. Department of Agriculture			(30,181)		529,202	(530,982)	-	-	(31,961)	-	-

**U.S. DEPARTMENT OF EDUCATION PASSED-
THROUGH STATE DEPARTMENT OF EDUCATION:**

General Fund:											
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	42,766	7/1/14-6/30/15	(15,228)	15,228	-	-	-	-	-
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	39,218	7/1/15-6/30/16	-	37,653	(39,218)	-	(1,565)	-	-
Total General Fund Assistance			(15,228)		52,881	(39,218)	-	-	(1,565)	-	-
Special Revenue Fund											
N.C.L.B.:											
Title I - Part A	84.010	S010A150030	541,194	7/1/14-6/30/15	(67,057)	67,057	-	-	-	-	-
Title I - Part A	84.010	S010A150030	558,217	7/1/15-6/30/16	-	498,775	(558,217)	-	(59,442)	-	-
Subtotal			(67,057)		565,832	(558,217)	-	-	(59,442)	-	-
Title II - Part A	84.367	H027A150100	48,546	7/1/14-6/30/15	(3,706)	3,706	-	-	-	-	-
Title II - Part A	84.367	H027A150100	53,065	7/1/15-6/30/16	-	47,905	(53,065)	-	(5,160)	-	-
Subtotal			(3,706)		51,611	(53,065)	-	-	(5,160)	-	-
I.D.E.A. Part B	84.027	H027A150100	523,589	7/1/15-6/30/16	-	523,589	(523,589)	-	-	-	-
Subtotal			-		523,589	(523,589)	-	-	-	-	-
Carl D. Perkins Vocational & Applied Technology Education Act:											
Secondary	84.048	V048A140030	252,637	7/1/15-6/30/16	-	252,637	(252,637)	-	-	-	-
Post Secondary	84.048	V048A140030	106,156	7/1/14-6/30/15	(1)	-	-	-	(1)	-	-
Post Secondary	84.048	V048A140030	109,206	7/1/15-6/30/16	-	109,206	(109,206)	-	-	-	-
Subtotal			(1)		361,843	(361,843)	-	-	(1)	-	-
Total Special Revenue Fund			(70,764)		1,502,875	(1,496,714)	-	-	(64,603)	-	-
Total U.S. Department of Education			(85,992)		1,555,756	(1,535,932)	-	-	(66,168)	-	-
Total Federal Financial Assistance			\$ (116,173)		\$ 2,084,958	\$ (2,066,914)	\$ -	\$ -	\$ (98,129)	\$ -	\$ -

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	CANCELLED	ACCOUNTS RECEIVABLE 2016		MEMO	CUMULATIVE TOTAL EXPENDITURES	
								RECEIVABLE	BUDGETARY RECEIVABLE			
State Department of Education:												
General Fund:												
State Aid Cluster:												
Equalization Aid	495-034-5120-078	\$13,192,613	7/1/15-6/30/16	\$ -	\$ 13,192,613	\$ (13,192,613)	\$ -	\$ -	\$ -	\$ (1,296,219)	\$ 13,192,613	
Special Education Categorical Aid	495-034-5120-089	1,162,397	7/1/15-6/30/16	-	1,162,397	(1,162,397)	-	-	-	(114,210)	1,162,397	
Security Aid	495-034-5120-084	109,496	7/1/15-6/30/16	-	109,496	(109,496)	-	-	-	(10,758)	109,496	
Per Pupil Growth Aid	495-034-5120-097	20,760	7/1/15-6/30/16	-	20,760	(20,760)	-	-	-	(2,040)	20,760	
PARCC Readiness	495-034-5120-098	20,760	7/1/15-6/30/16	-	20,760	(20,760)	-	-	-	(2,040)	20,760	
Adult and Post-Graduate Program Aid	100-034-5120-510	94,168	7/1/15-6/30/16	-	94,168	(94,168)	-	-	-	(9,252)	94,168	
Total State Aid Cluster				-	14,600,194	(14,600,194)	-	-	-	(1,434,519)	14,600,194	
On-Behalf TPAF Pension Contribution (Non-Budgeted)												
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)	495-034-5095-001	1,056,193	7/1/15-6/30/16	-	1,056,193	(1,056,193)	-	-	-	-	1,056,193	
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	495-034-5095-001	1,257,634	7/1/15-6/30/16	-	1,257,634	(1,257,634)	-	-	-	-	1,257,634	
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	495-034-5095-002	935,070	7/1/15-6/30/16	-	843,300	(935,070)	-	(91,770)	-	-	935,070	
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	495-034-5095-002	978,353	7/1/14-6/30/15	(42,868)	42,868	-	-	-	-	-	-	
Total General Fund				(42,868)	17,800,189	(17,849,091)	-	(91,770)	(1,434,519)	-	17,849,091	
Special Revenue Fund:												
State Department of Education:												
Apprentice Coordinator	100-034-5062-032-H200	28,500	7/1/15-6/30/16	-	11,210	(19,000)	-	(7,790)	-	-	19,000	
Apprentice Coordinator	100-034-5062-032-H200	19,000	7/1/14-6/30/15	(10,009)	10,009	-	-	-	-	-	-	
Total Special Revenue Fund				(10,009)	21,219	(19,000)	-	(7,790)	-	-	19,000	
Capital Projects Fund:												
ROD Grant - Medford Reroofing Project												
Total Capital Projects Fund	0610-040-13-1001	823,751	7/1/13-6/30/15	(599,039)	594,254	-	4,785	-	-	-	-	
Enterprise Fund:												
National School Lunch Program	100-010-3360-067	7,749	7/1/15-6/30/16	-	7,281	(7,749)	-	(468)	-	-	7,749	
National School Lunch Program	100-010-3360-067	8,629	7/1/14-6/30/15	(780)	780	-	-	-	-	-	-	
Total Enterprise Fund				(780)	8,061	(7,749)	-	(468)	-	-	7,749	
Total State Financial Assistance				(652,696)	\$ 18,423,723	\$ (17,875,840)	\$ 4,785	\$ (100,028)	\$ (1,434,519)	\$ -	\$ 17,875,840	
Total State Financial Assistance excluding On-Behalf TPAF Pension & Medical Contributions which agrees to Single Audit Summary											\$ (15,562,013)	

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2016**

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. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the schedules of expenditures of federal awards and state financial assistance, Clearview Regional High School District did not provide any federal or state awards to sub recipients.

Noncash assistance is reported in the schedule of expenditures of federal awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016. Unearned revenue represents the value of commodities left in ending inventory of the District as of June 30, 2016.

The Burlington County Institute of Technology has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2016

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

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 \$(9,320) 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:

	State	Federal	Total
General Fund	\$ 17,839,771	\$ 39,218	\$ 17,878,989
Special Revenue Fund	19,000	1,496,714	1,515,714
Food Service Fund	7,749	530,982	538,731
Total Financial Assistance	<u>\$ 17,866,520</u>	<u>\$ 2,066,914</u>	<u>\$ 19,933,434</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, 2016. 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, 2016.

Note 6. Federal and State Loans Outstanding

The Burlington County Institute of Technology had no loan balances outstanding at June 30, 2016.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

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?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to basic financial Statements noted?	No

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
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 2 CFR 200 Section .516(a) of the Uniform Guidance?	No

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.027	H027A150100	I.D.E.A., Part B, Basic Regular
84.010	S010A150030	N.C.L.B. – Title I, Part A

Dollar threshold used to distinguish between Type A Programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

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

State Awards

Dollar threshold used to distinguish between type A and Type B Programs:	\$750,000
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 2 CFR 200 Section .516(a) of the Uniform Guidance or NJOMB Circular Letter 15-08 as applicable?	None Reported

Identification of major programs:

GMIS Number(s)	Name of State Program
16-495-034-5120-078	Equalization Aid
16-495-034-5120-089	Special Education Categorical Aid
16-495-034-5120-084	Security Aid
16-495-034-5120-097	Per Pupil Growth Aid
16-495-034-5120-098	PARCC Readiness Aid
16-495-034-5095-002	Reimbursed TPAF Social Security Contribution

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding 2016-001:

Criteria or Specific Requirement:

All district employees should follow the internal controls put into place by the District.

Condition:

During our audit of procurement and standard operating procedures it was noted that there were numerous violations and non-compliance due to lack of oversight by building level management.

Context:

Various instances of non-compliance and violations were noted during our review of procurement and standard operating procedures.

Effect:

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016

Section III – Federal Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

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, 2016**

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*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. (§.511 (a)(b)) and NJOMB's Circular 04-04 and/or 15-08, as applicable.

Status of Prior Year Findings:

Finding 2015-001:

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

Current Status:

This has been corrected.

Finding 2015-002:

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.

Current Status:

This has not been corrected.