

**SCHOOL DISTRICT
OF**

**BURLINGTON
TOWNSHIP**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016**

**Comprehensive Annual
Financial Report**

of the

Burlington Township Board of Education

Burlington, New Jersey

For the Fiscal Year Ended June 30, 2016

**Prepared by
Burlington Township Board of Education
Finance Department**

BURLINGTON TOWNSHIP SCHOOL DISTRICT

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Introductory Section

BURLINGTON TOWNSHIP SCHOOLS
PO Box 428 - 700 Jacksonville Road - Hopkins Building
Burlington, New Jersey 08016

September 15, 2016

Honorable President and
Members of the Board of Education
Burlington Township School District
Burlington, New Jersey 08016

Dear Board Members:

The comprehensive annual financial report of the Burlington Township School District for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for the accuracy of the data, completeness and fairness of the presentation, including all disclosures, rests with the management of the Burlington Township Board of Education. To the best of our knowledge and belief, the data present in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the 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 has been prepared in accordance with Governmental Accounting Standards Board Statement 34 and 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 general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2. U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (uniform guidance); and the State of New Jersey Circular OMB15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES** : Burlington Township 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. Burlington Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through grade 12. These include regular and vocational, as well as special education for handicapped students between the ages of 3 and 21 years old. The District completed the 2015-2016 fiscal year with an enrollment of 3,991 students, which is substantially unchanged from the previous year's enrollment. The district's highest enrollment was recorded in 2006-2007 at 4,182 students. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

Fiscal Year	Average Student Enrollment	Percent Change
2006-2007	4,182	1.03
2007-2008	4,179	.71
2008-2009	4,169	-2.39
2009-2010	4,055	-2.73
2010-2011	4,104	1.20
2011-2012	4,061	- 1.05
2012-2013	4,021	- .98
2013-2014	4,043	.55
2014-2015	3,994	-1.21
2015-2016	3,991	- .07

- 2) **ECONOMIC CONDITION AND OUTLOOK:** The Burlington Township area had experienced a period of rapid development and expansion during the early 2000's which has since stabilized. The number of families sharing housing in the community has presented challenges to understanding the needs of students prior to enrollment and has resulted in an increase for educational services. Due to the economy during the last several years, the Free and Reduced Lunch numbers increased dramatically from prior levels. During this time, the district has also seen an increase in homeless counts, temporary residency affidavits, and guardianship affidavit cases.

3) **MAJOR INITIATIVES**

STRATEGIC PLANNING AND GOAL SETTING: The Burlington Township School District engages in a yearly goal setting process that is driven by a long-range strategic plan. The Mission of the District is *to develop the intellectual, creative, and social potential of each child through an active partnership will all members of the community.* The District has established four broad goals focused on ***improving teaching and learning, fostering a safe and secure climate, engaging the community in meaningful ways, and promoting efficiency and quality through effective management and operations.*** During 2015-2016, the District focused on objectives within these goal areas.

STUDENT ACADEMIC PROGRESS: Student academic progress is measured, in part, by standardized assessments. These assessments include PARCC and NJASK Science, SAT. Principally, the district scored closed to the state average in all areas except one. In 2015, Burlington Township students scored an average of 486 on the mathematics SAT, 469 in critical reading, and 482 in writing. For June 2016, one hundred percent of Burlington Township students have met the State testing standards or alternative portfolio completion as required for graduation. Additionally, Burlington Township High School requires four years of study in all four core content areas, which exceeds state graduation requirement. The Burlington Township attendance rate is over 95% and the dropout rate less than 1%. Ninety-five percent of Burlington Township students continue their education after high school at four-year colleges and universities, community colleges, and technical schools.

SUMMARY OF SPECIFIC INITIATIVES: The Center for Education has worked on aligning the district's curricula to the Common Core Standards. The district has completed a three year technology plan and was prepared for the PARCC on-line testing in 2014-2015. The district has introduced on-line student assessments in grades 1-8 via MAP software for math benchmarking and at grades 9-12 using the STAR assessment software for both math and language arts benchmarking to further understand the needs of our students.

REFERENDUM DECEMBER 2015: A referendum was approved by voters in December 2015 to refurbish needed specific facilities in each school. The timing took into consideration the expiration of debt currently outstanding. The first projects funded by the referendum proceeds were bid in the Spring of 2016.

SCHOOL SAFETY AND SECURITY: School safety and security continues to be an important topic in education. From 2009-2014 the district has engaged in a five-year safety and security project entitled *Project Guardian*. The district has engaged in a continuous safety and security process review team entitled *Team Guardian*.

SUMMARY OF INFORMATION SOURCES: The district commissioned a full demographic study in 2012 for the purpose of understanding the potential future enrollments. The district also commissioned an update on projections in 2015. The district continues to seek information that allows for the development of future plans based on relevant data.

- 4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principals (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 as well as to determine that the District has complied with applicable laws and regulations. The district fiscal management team reviews the standard operating procedures on an annual basis and alters the SOPs as needed to continue to ensure the fiscal responsibility is well managed.
- 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 voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Capital budgets are approved for capital improvements and are accounted for in the capital project fund.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are reported as reservations of fund balance at June 30, 2016.

- 6) **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 that requires it to deposit public funds in public depositories protected from loss under the provisions of the Government 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.
- 7) **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, student accident, and fidelity bonds.
- 8) **FISCAL AND OPERATIONAL EFFICIENCY:** The Burlington Township Board of Education is considered efficient in all areas reviewed by the Department of Education during the mid-year budget review. This efficiency was borne from need resulting from periods of large enrollment growth and stagnant state aid during the late 1990's and 2000's. This efficiency has required the district to utilize such strategies as outsourcing almost all operational department personnel including facilities, food service, technology and transportation and in recent years, the outsourcing of in-class non-instructional support. The 2% cap on property tax increases and the state's lack of adequate funding for the district as noted in the state's aid notification indicating a shortfall to the district based on the state's current formula of more than \$3 million will continue to be a challenge for the district.
- 9) **OTHER INFORMATION: Independent Audit -** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Inverso & Stewart. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, cost principles and audit requirements for federal awards (uniform guidance); and State of New Jersey Circular OMB15-08 The auditor's report on the general purpose financial statements 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 Township 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 central office staff. We greatly appreciate their fine work.

Sincerely,

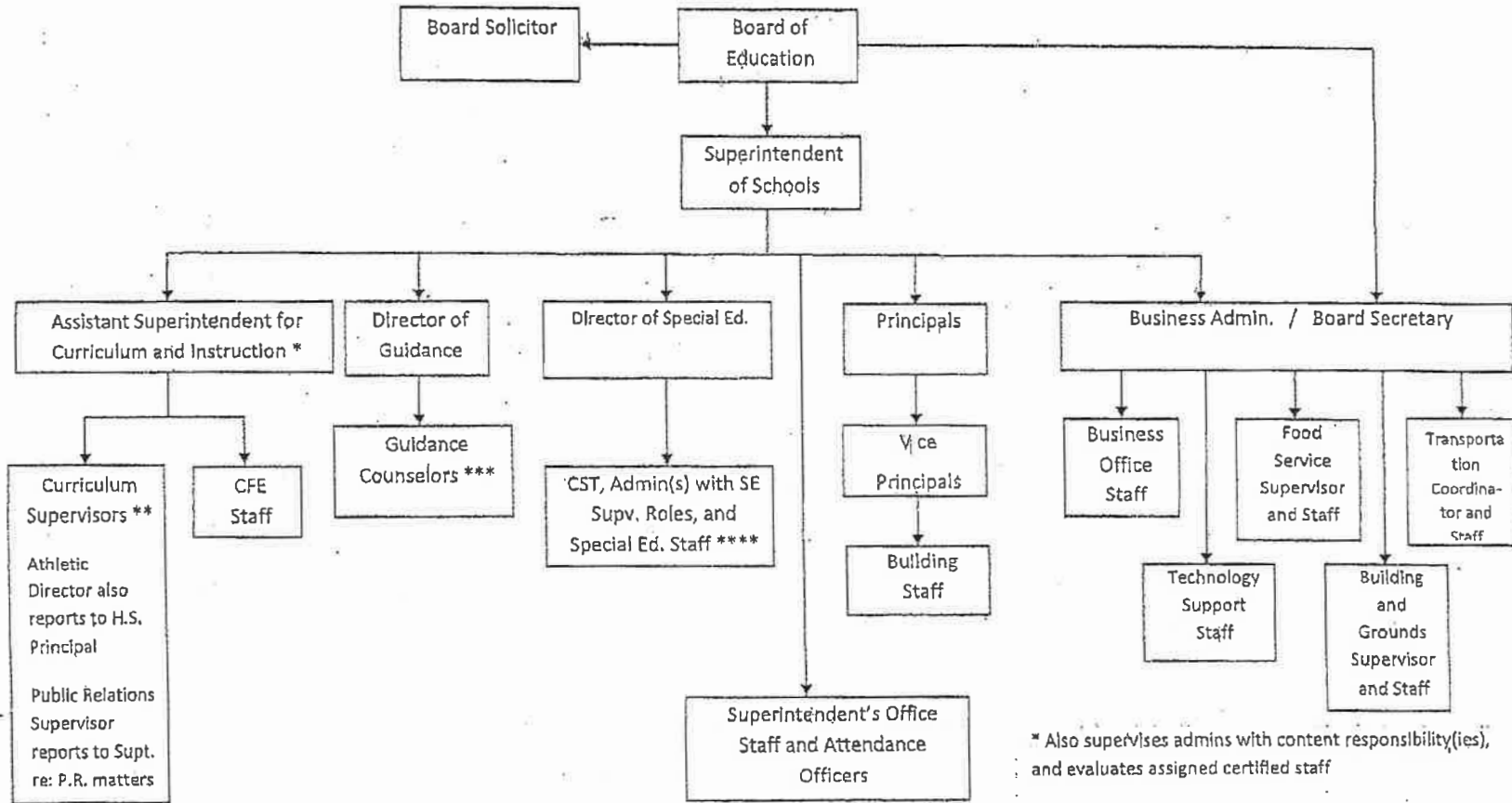


Mary Ann Bell
Superintendent of Schools

Sincerely,



Robyn Hessberger
Interim Business Administrator/Board Secretary



Revised First Reading May 2013

* Also supervises admins with content responsibility(ies), and evaluates assigned certified staff

** Also evaluates assigned certified staff.

*** Guidance Counselors also report to building principals.

****Special Education teachers also report to building principals.

BOARD OF EDUCATION

**TOWNSHIP OF BURLINGTON
BURLINGTON, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2016**

Members of the Board of Education

Term Expires (January)

Sherry Knight, President	2016
Maryann McMahon-Nester, Vice President	2017
Donna Custard	2016
Milton Dilligard	2017
Susan Eichmann	2016
Velina Marie Riggi	2018
Israel Rivera	2018
Balvir Singh	2017
Michelle Spotts	2018

Other Officials (as of June 30, 2016)

Mrs. Mary Ann Bell, *Interim* Superintendent of Schools, School Business Administrator

Ms. Ann Britt, Asst. Superintendent for Curriculum & Instruction

Mrs. Robyn Hessberger, *Interim* Board Secretary/Assistant School Business Administrator

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Consultants and Advisers

Audit Firm

Inverso & Stewart, LLC
651 Route 73 North
Suite 402
Marlton, NJ 08053

Attorney

David Serlin
Blason II, Suite 120
505 South Lenola Road
Moorestown, NJ 08057

Special Education Counsel

Parker McCay
9000 Midlantic Dr #300,
Mt Laurel, NJ 08054

Bond Counsel

McManimon & Scotland, LLC
75 Livingston Avenue, 2nd Floor
Roseland, NJ 07068

Official Depositories

Investors Bank
Beneficial Bank
NJ State Cash Management

Financial Section

INVERSO & STEWART, LLC
Certified Public Accountants

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-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I 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 Township School District, in the 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 School 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 School 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 School District's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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 Burlington Township School District, in the County of Burlington, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and where applicable, cash flows thereof 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 pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Burlington Township School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget 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 Treasury Circular OMB 15-08, as applicable, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 15, 2016 on my consideration of the Burlington Township School District's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Township School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
September 15, 2016

INVERSO & STEWART, LLC
Certified Public Accountants

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 New Jersey Society of CPAs

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

INDEPENDENT AUDITOR'S REPORT

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

I 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 the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Burlington Township School District, in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated September 15, 2016.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Burlington Township School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Burlington Township School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Burlington Township School District's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School 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 in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

INVERSO & STEWART, LLC

Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
September 15, 2016

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Burlington Township School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

As management of the Board of Education of Burlington Township, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$34,419,663 (*net position*).
- Governmental activities have deficit unrestricted net position of \$11,270,635. The accounting treatments in the governmental funds for compensated absences payable, and the June state aid payments, and the state statute that prohibits school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this balance.
- The total net position of the School District increased by \$2,322,977, or a 7.23% increase from the prior fiscal year-end balance. The majority of the increase is attributable to the decrease in Debt.
- Fund balance of the School District's governmental funds decreased by \$1,049,684 resulting in an ending fund balance of \$4,429,011. This decrease is largely due to the results of operations in the Capital Fund.
- Business-type activities have unrestricted net position of \$129,597 which may be used to meet the School District's ongoing obligations of the food service operations and performing arts center.
- The School District's long-term obligations decreased by \$3,587,667 which is the result a reduction in serial bond debt and an increase in compensated absences.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities consolidate the Food Service Fund and the Performing Arts Center Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's two enterprise funds (Food Service Fund and the Performing Arts Center Fund) are listed individually and are considered to be major funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements, equipment and vehicles. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2016. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2016.

The assets of the primary government activities exceeded liabilities by \$33,955,949 with an unrestricted deficit balance of \$11,270,635. The net position of the primary government does not include internal balances.

A net investment of \$40,367,864 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's 3,931 public school students, represents 118.88% of the School District's net position. Net position of \$2,026,604 has been restricted to provide resources for future capital expansion and renovation projects, \$946,000 for maintenance reserve, \$13,870 for repayment of debt, \$194,530 for year-end encumbrances and \$1,677,716 has been restricted for future budget appropriation.

As mentioned earlier, deficit unrestricted net position is primarily due to the accounting treatment for compensated absences payable and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

**Burlington Township School District
Comparative Summary of Net Position
As of June 30, 2016 and 2015**

	Governmental Activities		Business-Type Activities		District-Wide	
	2016	2015	2016	2015	2016	2015
Assets:						
Current assets	\$ 6,297,370	\$ 6,113,206	\$ 157,603	\$ 197,530	\$ 6,454,973	\$ 6,310,736
Capital assets	<u>62,056,198</u>	<u>62,388,806</u>	<u>334,117</u>	<u>347,772</u>	<u>62,390,315</u>	<u>62,736,578</u>
Total assets	<u>68,353,568</u>	<u>68,502,012</u>	<u>491,720</u>	<u>545,302</u>	<u>68,845,288</u>	<u>69,047,314</u>
Deferred Outflow of Resources	<u>1,376,939</u>	<u>658,416</u>			<u>1,376,939</u>	<u>658,416</u>
Liabilities:						
Current Liabilities	6,079,868	4,814,005	28,006	6,514	6,107,874	4,820,519
Noncurrent Liabilities	<u>27,505,145</u>	<u>31,816,473</u>			<u>27,505,145</u>	<u>31,816,473</u>
Total liabilities	<u>33,585,013</u>	<u>36,630,478</u>	<u>28,006</u>	<u>6,514</u>	<u>33,613,019</u>	<u>36,636,992</u>
Deferred Inflow of Resources	<u>2,189,545</u>	<u>972,052</u>			<u>2,189,545</u>	<u>972,052</u>
Net position	<u>\$ 33,955,949</u>	<u>\$ 31,557,898</u>	<u>\$ 463,714</u>	<u>\$ 538,788</u>	<u>\$ 34,419,663</u>	<u>\$ 32,096,686</u>
Net position consists of:						
Net investment in						
Capital assets	\$ 40,367,864	\$ 36,972,907	\$ 334,117	\$ 347,772	\$ 40,701,981	\$ 37,320,679
Restricted net position	4,858,720	5,960,672			4,858,720	5,960,672
Unrestricted net position	<u>(11,270,635)</u>	<u>(11,375,681)</u>	<u>129,597</u>	<u>191,016</u>	<u>(11,141,038)</u>	<u>(1,522,659)</u>
Net position	<u>\$ 33,955,949</u>	<u>\$ 31,557,898</u>	<u>\$ 463,714</u>	<u>\$ 538,788</u>	<u>\$ 34,419,663</u>	<u>\$ 32,096,686</u>

Governmental Activities

Governmental activities increased the net position of the School District by \$2,398,051 during the current fiscal year. Key elements of the increase net position for governmental activities are as follows:

- Repayment of bond principal \$3,525,000.

Business-type Activities

Business-type activities decreased the School District's net position by \$75,074. Key elements of the decrease in net position for business-type activities are as follows:

- The Food Service Fund had a net loss of \$53,153 and the Performing Arts Center had a net loss of \$21,921.

Burlington Township School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		District-Wide	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues						
Charges for services	\$ 833,398	\$ 653,043	\$ 1,016,231	\$ 1,060,162	\$ 1,849,629	\$ 1,713,205
Operating grants and Contributions	7,394,673	6,518,042	655,224	595,051	8,049,897	7,113,093
Capital grants and Contributions						
General Revenues:						
Property Taxes	42,100,515	41,572,474			42,100,515	41,572,474
Unrestricted State Aid	20,421,926	20,482,740			20,421,926	20,482,740
Other Revenues	917,114	670,101	907	742	918,021	670,843
Total Revenues	71,667,626	69,896,400	1,672,362	1,655,955	73,339,988	71,552,355
Expenses:						
Governmental Activities:						
Instruction	28,193,620	27,681,110			28,193,620	27,681,110
Tuition	2,492,883	2,133,509			2,492,883	2,133,509
Related Services	8,074,909	8,006,836			8,074,909	8,006,836
Administrative Services	3,211,693	3,187,194			3,211,693	3,187,194
Central Services	2,018,636	1,560,610			2,018,636	1,560,610
Operations and Maintenance	6,280,321	6,770,069			6,280,321	6,770,069
Transportation	2,853,287	2,847,978			2,853,287	2,847,978
Employee Benefits	15,249,854	14,637,894			15,249,854	14,637,894
Charter School	18,393	9,035			18,393	9,035
Interest on long-term Debt	745,475	870,560			745,475	870,560
Other	130,504	76,577			130,504	76,577
Business-Type Activities:						
Food Service Operations			1,683,937	1,628,871	1,683,937	1,628,871
Performing Arts Center			63,499	65,689	63,499	65,689
Total Expenses	69,269,575	67,781,372	1,747,436	1,694,560	71,017,011	69,475,932
Increase in net position						
Before transfers	2,398,051	2,115,028	(75,074)	(38,605)	2,322,977	2,076,423
Transfers						
Changes in net position	2,398,051	2,115,028	(75,074)	(38,605)	2,322,977	2,076,423
Net position, July 1, as restated	31,557,898	29,442,870	538,788	577,393	32,096,686	30,020,263
Net position, June 30,	\$ 33,955,949	\$ 31,557,898	\$ 463,714	\$ 538,788	\$ 34,419,663	\$ 32,096,686

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$4,429,011, a decrease of \$1,049,684 in comparison with the prior year. The majority of the decrease is attributable to the results of operations in the general fund

The unreserved fund balance for the School District at the end of the fiscal year includes a combination of an unreserved deficit fund balance for the General Fund of \$429,709, \$9,878 the Capital Projects Fund and \$13,870 in the Debt Service Fund. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) as restricted cash reserved for future capital outlay expenditures of \$2,016,726, 2) \$946,000 for maintenance reserve, 3) \$1,677,716 appropriated as a revenue source in the subsequent year's budgets, and 3) \$194,530 reserved for encumbrances.

General Fund Budgetary Highlights

There was a \$335,000 difference between the original budget and the final amended budget.

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$1,294,339, while total fund balance (budgetary basis) was \$6,125,907. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$64,820,265. Unassigned fund balance (budgetary basis) represents 1.99% of expenditures while total fund balance (budgetary basis) represents 9.45% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2016, totaled \$62,390,315 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$346,263, or a 0.55% decrease. This decrease is due to annual depreciation expense less capital asset purchases.

**Capital Asset (net of accumulated depreciation)
June 30, 2016 and 2015**

	Governmental Activities		Business-Type Activities		District-Wide	
	2016	2015	2016	2015	2016	2015
Land	\$ 1,621,644	\$ 1,621,644	\$ -	\$ -	\$ 1,621,644	\$ 1,621,644
Construction in progress						
Site Improvements	200,080	209,857			200,080	209,857
Buildings and Building Improvements	57,169,314	57,586,263	323,597	338,647	57,492,911	57,924,910
Equipment	3,065,160	2,971,042	10,520	9,125	3,075,680	2,980,167
Total	\$ 62,056,198	\$ 62,388,806	\$ 334,117	\$ 347,772	\$ 62,390,315	\$ 62,736,578

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2016, the School District had \$21,030,000 in serial bonds payable, and \$1,544,598 in compensated absences.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$93,553,058. The available amount as of June 30, 2016 is \$68,978,058.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2016-17 fiscal year.

- For the 2016-17 fiscal year the School District will be receiving an increase in state aid. The local tax levy in the General Fund increased by \$775,878 or 2.00 % as salaries continue to increase contractually. The 2016-17 General Fund Budget is \$818,605 more than the previous year or a 1.37% increase.
- The tax rate increased from \$1.920 in 2015 to \$1.946 in 2016, a 1.35% increase.

For the Future

The Burlington Township School District is in good financial condition presently. However, a major concern is the continued enrollment growth of the District with an increased reliance on local property taxes as state aid has remained stagnant.

In conclusion, the Burlington Township School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Burlington Township School District Business Administrator, Box 428, Burlington, New Jersey, 08016.

Basic Financial Statements

District-Wide Financial Statements

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 1,702,795	\$ 235,413	\$ 1,938,208
Receivables, net	2,273,506	188,696	2,462,202
Inventory		37,837	37,837
Internal balances	304,343	(304,343)	
Restricted assets:			
Restricted cash and cash equivalents	2,016,726		2,016,726
Capital assets, net (Note 5)	62,056,198	334,117	62,390,315
Total assets	<u>68,353,568</u>	<u>491,720</u>	<u>68,845,288</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>1,376,939</u>		<u>1,376,939</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	<u>69,730,507</u>	<u>491,720</u>	<u>70,222,227</u>
LIABILITIES:			
Accounts payable	1,612,976	60	1,613,036
Unearned revenue	52,901	27,946	80,847
Other liabilities	202,482		202,482
Accrued interest	413,944		413,944
Noncurrent liabilities:			
Due within one year	3,797,565		3,797,565
Due beyond one year	<u>27,505,145</u>		<u>27,505,145</u>
Total liabilities	<u>33,585,013</u>	<u>28,006</u>	<u>33,613,019</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	<u>2,189,545</u>		<u>2,189,545</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	<u>35,774,558</u>	<u>28,006</u>	<u>35,802,564</u>
NET POSITION:			
Net investment in capital assets	40,367,864	334,117	40,701,981
Restricted for:			
Capital Projects	2,026,604		2,026,604
Other purposes	2,832,116		2,832,116
Unrestricted	<u>(11,270,635)</u>	<u>129,597</u>	<u>(11,141,038)</u>
Total position	<u>\$ 33,955,949</u>	<u>\$ 463,714</u>	<u>\$ 34,419,663</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 19,510,826		\$ 326,705	\$ (19,184,121)	\$ -	\$ (19,184,121)
Special education	6,586,368		911,794	(5,674,574)		(5,674,574)
Other instruction	2,096,426			(2,096,426)		(2,096,426)
Support Services:						
Tuition	2,492,883			(2,492,883)		(2,492,883)
Student & instruction related services	8,074,909		44,360	(8,030,549)		(8,030,549)
General administrative services	1,212,713			(1,212,713)		(1,212,713)
School administrative services	1,998,980			(1,998,980)		(1,998,980)
Central services	741,868			(741,868)		(741,868)
Admin Info Technology	1,276,768	833,398		(443,370)		(443,370)
Plant operations and maintenance	6,280,321		10,125	(6,270,196)		(6,270,196)
Pupil transportation	2,853,287			(2,853,287)		(2,853,287)
Employee benefits	15,249,854		6,101,689	(9,148,165)		(9,148,165)
Charter schools	18,393			(18,393)		(18,393)
Interest on long-term debt	745,475			(745,475)		(745,475)
Unallocated depreciation and amortization	130,504			(130,504)		(130,504)
Total governmental activities	<u>69,269,575</u>	<u>833,398</u>	<u>7,394,673</u>	<u>(61,041,504)</u>		<u>(61,041,504)</u>
Business-type activities:						
Performing Arts Center	63,499	41,250			(22,249)	(22,249)
Food service	1,683,937	974,981	655,224		(53,732)	(53,732)
Total business-type activities	<u>1,747,436</u>	<u>1,016,231</u>	<u>655,224</u>		<u>(75,981)</u>	<u>(75,981)</u>
Total primary government	<u>\$ 71,017,011</u>	<u>\$ 1,849,629</u>	<u>\$ 8,049,897</u>	<u>\$ (61,041,504)</u>	<u>\$ (75,981)</u>	<u>\$ (61,117,485)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				38,793,919		38,793,919
Taxes levied for debt service				3,306,596		3,306,596
Federal and State aid not restricted				20,421,926		20,421,926
Investment earnings				2,784	907	3,691
Miscellaneous income				914,330		914,330
Total general revenues, special items, extraordinary items and transfers				<u>63,439,555</u>	<u>907</u>	<u>63,440,462</u>
Change in Net Position				<u>2,398,051</u>	<u>(75,074)</u>	<u>2,322,977</u>
Net Position - July 1, as restated (Note 20)				31,557,898	538,788	32,096,686
Net Position - June 30				<u>\$ 33,955,949</u>	<u>\$ 463,714</u>	<u>\$ 34,419,663</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

Fund Financial Statements

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2016

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 1,702,795	\$ -	\$ -	\$ -	\$ 1,702,795
Receivables, net	1,251,631	86,720	874,476		2,212,827
Interfund receivables, net	1,132,369			13,870	1,146,239
Restricted cash and cash equivalents	2,016,726				2,016,726
Total assets	\$ 6,103,521	\$ 86,720	\$ 874,476	\$ 13,870	\$ 7,078,587
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,550,947		62,029		1,612,976
Intergovernmental Accounts Payable		202			202
Interfund payables	124,615	59,717	596,885		781,217
Unearned revenues	26,100	26,801			52,901
Other liability			202,280		202,280
Total liabilities	1,701,662	86,720	861,194	-	2,649,576
Fund Balances:					
Restricted Fund Balance:					
Maintenance reserve	946,000				946,000
Capital reserve	2,016,726				2,016,726
Assigned Fund Balance:					
Year-end encumbrances	191,126		3,404		194,530
Designated for subsequent year's expenditures	1,677,716				1,677,716
Unassigned fund balance	(429,709)		9,878	13,870	(405,961)
Total fund balances	4,401,859	-	13,282	13,870	4,429,011
Total liabilities and fund balances	\$ 6,103,521	\$ 86,720	\$ 874,476	\$ 13,870	

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 \$97,784,484 and the accumulated depreciation is \$35,728,286. 62,056,198

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (413,944)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of resources from Pensions	1,376,939	
Net Pension Liability	(8,069,778)	
Deferred Inflows of resources from Pensions	(2,189,545)	(8,882,384)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:

Bonds Payable	(21,688,334)
Compensated Absences	(1,544,598)

Net position of governmental activities \$ 33,955,949

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
for the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 38,793,919	\$ -	\$ -	\$ 3,306,596	\$ 42,100,515
Tuition charges	492,487				492,487
Transportation fees	27,988				27,988
Interest earned	2,784				2,784
Miscellaneous	393,855				393,855
Total revenues-local sources	39,711,033	-	-	3,306,596	43,017,629
Local sources		8,529			8,529
State sources	25,422,613	15,314	(9,336)	1,022,220	26,450,811
Federal sources	88,118	1,269,141			1,357,259
Total revenues	65,221,764	1,292,984	(9,336)	4,328,816	70,834,228
EXPENDITURES:					
Current expense:					
Regular instruction	17,217,173	326,705			17,543,878
Special education instruction	5,674,574	911,794			6,586,368
Other instruction	2,096,426				2,096,426
Support services and undistributed costs:					
Tuition	2,492,883				2,492,883
Student & instruction related services	8,030,549	44,360			8,074,909
General administrative services	951,706				951,706
School administrative services	1,998,980				1,998,980
Central services	741,868				741,868
Admin Info Technology	443,370				443,370
Plant operations and maintenance	5,679,619				5,679,619
Pupil transportation	2,853,287				2,853,287
Employee benefits	15,404,545				15,404,545
Charter Schools	18,393				18,393
Capital outlay	1,216,892	10,125	1,259,638		2,486,655
Debt service:					
Principal				3,525,000	3,525,000
Interest and other charges				986,025	986,025
Total expenditures	64,820,265	1,292,984	1,259,638	4,511,025	71,883,912
Excess (deficiency) of revenues over (under) expenditures	401,499	-	(1,268,974)	(182,209)	(1,049,684)
Other Financing Sources (Uses):					
Transfers in				13,870	13,870
Transfers out			(13,870)		(13,870)
Total other financing sources (uses)	-	-	(13,870)	13,870	-
Net change in fund balance	401,499	-	(1,282,844)	(168,339)	(1,049,684)
Fund balances, July 1	4,000,360		1,296,126	182,209	5,478,695
Fund balances, June 30	\$ 4,401,859	\$ -	\$ 13,282	\$ 13,870	\$ 4,429,011

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
for the Fiscal Year Ended June 30, 2016

Total net change in fund balances - governmental funds (from B-2)		\$ (1,049,684)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p style="margin-left: 40px;">Capital outlays are reported in the governmental funds as expenditures. However, on 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 current fiscal year.</p>		
Depreciation expense	\$ (2,610,072)	
Capital outlay	<u>2,277,464</u>	(332,608)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.		3,525,000
The proceeds of a bond issue is an other financing source of revenue in the governmental funds but is not reported in the statement of activities.		202,565
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.		
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		37,985
Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.		154,691
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>(139,898)</u>
Change in net position of governmental activities		<u>\$ 2,398,051</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-type Activities			Governmental
	Enterprise Funds			Activities -
	<u>Food Service</u>	<u>Performing Arts</u>	<u>Total</u>	<u>Internal Service</u>
	<u>Program</u>	<u>Center</u>	<u>Enterprise</u>	<u>Technology</u>
				<u>Services</u>
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 132,316	\$ 103,097	\$ 235,413	\$ -
Accounts receivable	186,791	1,905	188,696	113,242
Interfund receivable	64,497	3,129	67,626	
Inventories	37,837		37,837	
Total current assets	<u>421,441</u>	<u>108,131</u>	<u>529,572</u>	<u>113,242</u>
Noncurrent assets:				
Building and Building Improvements	376,275		376,275	
Equipment	456,400		456,400	
Less accumulated depreciation	832,675		832,675	
	<u>(498,558)</u>		<u>(498,558)</u>	
Total noncurrent assets	<u>334,117</u>		<u>334,117</u>	
Total assets	<u>\$ 755,558</u>	<u>\$ 108,131</u>	<u>\$ 863,689</u>	<u>\$ 113,242</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ -	\$ 60	\$ 60	\$ -
Unearned Revenue	27,946		27,946	
Interfund payable	371,969		371,969	113,242
Total liabilities	<u>399,915</u>	<u>60</u>	<u>399,975</u>	<u>113,242</u>
NET POSITION				
Net Investment in Capital Assets	334,117		334,117	
Unrestricted	21,526	108,071	129,597	
Total net position	<u>\$ 355,643</u>	<u>\$ 108,071</u>	<u>\$ 463,714</u>	<u>\$ -</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
for the Fiscal Year Ended June 30, 2016

	Business-type Activities			Governmental
	Enterprise Funds			Activities -
	Food Service Program	Performing Arts Center	Total Enterprise	Internal Service Technology Services
Operating revenues:				
Charges for services:				
Daily sales-reimbursable programs	\$ 549,374	\$ 41,250	\$ 590,624	\$ -
Daily sales-non-reimbursable programs	173,900		173,900	
Special functions	251,707		251,707	
Charges for technology services				833,398
Rentals				
Total operating revenue	974,981	41,250	1,016,231	833,398
Operating expenses:				
Salaries and benefits	816,160	32,714	848,874	
Direct expenses	8,383		8,383	
Repair and maintenance	18,836		18,836	
Supplies and materials	51,170	18,757	69,927	
Depreciation	13,655		13,655	
Management fee	26,007		26,007	
Cost of sales - reimbursable programs	419,019		419,019	
Cost of sales - nonreimbursable programs	324,620		324,620	
Other costs	6,087	12,028	18,115	833,398
Total operating expenses	1,683,937	63,499	1,747,436	833,398
Operating income (loss)	(708,956)	(22,249)	(731,205)	
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	14,969		14,969	
Federal sources:				
National school lunch program	449,048		449,048	
National school breakfast program	86,671		86,671	
U.S.D.A. commodities	104,536		104,536	
Local sources:				
Interest revenue	579	328	907	
Total nonoperating revenues (expenses)	655,803	328	656,131	
Change in net position	(53,153)	(21,921)	(75,074)	
Total net position - July 1	408,796	129,992	538,788	
Total net position - June 30	\$ 355,643	\$ 108,071	\$ 463,714	\$ -

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
for the Fiscal Year Ended June 30, 2016

	Business-type Activities Enterprise Funds			Governmental Activities - Internal Service
	Food Service Program	Performing Arts Center	Total Enterprise	Technology Services
Cash flows from operating activities:				
Receipts from customers	\$ 1,032,573	\$ 50,081	\$ 1,082,654	\$ 833,398
Payments to employees	(816,160)	(32,714)	(848,874)	
Payments to suppliers	(795,456)	(30,972)	(826,428)	(833,398)
Net cash used for operating activities	<u>(579,043)</u>	<u>(13,605)</u>	<u>(592,648)</u>	
Cash flows from noncapital financing activities:				
State sources	599,104		599,104	
Federal sources	16,875		16,875	
Net cash provided by non-capital financing activities	<u>615,979</u>		<u>615,979</u>	
Cash flows from capital activities:				
Purchases of fixed assets				
Cash flows from investing activities:				
Interest and dividends	579	328	907	
Net cash provided by investing activities	<u>579</u>	<u>328</u>	<u>907</u>	
Net increase in cash and cash equivalents	37,515	(13,277)	24,238	
Balances - July 1	<u>94,801</u>	<u>116,374</u>	<u>211,175</u>	
Balances - June 30	<u>\$ 132,316</u>	<u>\$ 103,097</u>	<u>\$ 235,413</u>	<u>\$ -</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (708,956)	\$ (22,249)	\$ (731,205)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	13,655		13,655	
Federal commodities	104,536		104,536	
(Increase) decrease in inventories	1,100		1,100	
(Increase) decrease in accounts receivable	(11,057)	8,830	(2,227)	(74,224)
(Increase) decrease in interfund receivable				
Increase (decrease) in accounts payable	(6,267)	(186)	(6,453)	
Increase (decrease) in unearned revenue	27,946		27,946	
Increase (decrease) in interfund payable				74,224
Total adjustments	<u>129,913</u>	<u>8,644</u>	<u>138,557</u>	
Net cash provided by (used for) operating activities	<u>\$ (579,043)</u>	<u>\$ (13,605)</u>	<u>\$ (592,648)</u>	<u>\$ -</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Unemployment Compensation Insurance Trust	Agency Funds
	<u> </u>	<u> </u>
ASSETS:		
Cash and cash equivalents	\$ 618,465	\$ 851,906
Interfund receivable		56,989
	<u> </u>	<u> </u>
Total assets	<u>\$ 618,465</u>	<u>\$ 908,895</u>
LIABILITIES:		
Accounts payable	\$ 10,101	\$ -
Payroll deductions and withholdings		342,698
Other liabilities		40,083
Interfund payable		4,426
Due to student groups		521,688
	<u> </u>	<u> </u>
Total liabilities	<u>\$ 10,101</u>	<u>\$ 908,895</u>
NET POSITION:		
Held in trust for unemployment claims and other purposes	<u>\$ 608,364</u>	

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

	Unemployment Compensation Insurance Fund
ADDITIONS:	
Contributions:	
Employee contributions	\$ 47,795
Total Contributions	47,795
Investment earnings:	
Interest	1,798
Net investment earnings	1,798
Total additions	49,593
DEDUCTIONS:	
Unemployment claims	47,811
Total deductions	47,811
Change in net position	1,782
Net position - July 1	606,582
Net position - June 30	\$ 608,364

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Burlington School District (School District) is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 12. The Burlington School District has an approximate enrollment at June 30, 2016 of 3,931 students.

The primary criteria for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School district over which the Board exercises operating control.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide 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 Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The basic financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

The School District's basic financial statements consists of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the general operating fund of the School District 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 classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America 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, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

Enterprise Funds - The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Funds (Continued)

The School District's enterprise funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Performing Arts Center Fund – This fund accounts for the financial transactions related to the performing arts center operations of the School District.

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 position) is segregated into investment in capital assets, net of related debt, and unrestricted net position, 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:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Internal Service Fund – The internal service fund has been established to account for the financing of technology services provided by the Burlington Township School District for use by other school districts, as well as for the Burlington Township School District itself. Services are provided on a cost-reimbursement basis.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has four fiduciary funds; an unemployment compensation trust fund, a flexible spending account, a student activity fund, and a payroll fund.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for their approval. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-16.2(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:23A-13.3.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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, Exhibit C-2 and Exhibit I-3, 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 accounting as presented in the general fund budgetary comparison schedule 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 balances – governmental funds. Note that the School District does not report encumbrances outstanding at 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 one or more June 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. Encumbrances are a component of fund balance at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected in the balance sheet as deferred revenues 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, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41et 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 Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2016 and 2015 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Inventories - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out basis.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

Inventories recorded in the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Deferred Expenditures - Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure/expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring cost of operations.

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 School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

Bond Discount and Bond Premium – Bond discount and bond premium arising from the issuance of the general obligation bonds are recorded as liabilities. They are amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. Bond discount and bond premium are presented as an adjustment of the face amount of the bonds.

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 School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

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

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on 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, governmental 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 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. Bonds are recognized as a liability on the fund financial statements when due.

Net Position - Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into 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 the 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 School District or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance – The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable – The nonspendable fund balance 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. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2016.

Restricted – This fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which for the School District is the Board of Education. Once committed, 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 imposing the commitment.

Assigned – This fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – This fund balance classification is the residual classification for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District's policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and rental fees for the performing arts center. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Recently Issued Accounting Pronouncements In June 2015, the GASB issued Statement 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 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. This Statement is effective for financial statements for periods beginning after June 15, 2016 and will not have any effect on the District's financial reporting.

In June 2015, the GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are *not* administered through trusts that meet the specified criteria. This Statement is effective for financial statements for periods beginning after June 15, 2016. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for financial statements for periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In December 2015, the GASB issued Statement 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued) - In March 2016, the GASB issued Statement 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. Furthermore, this Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures. Also, this Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$8,700,046 as of June 30, 2016, \$258,249 was insured under FDIC and the remaining balance of \$8,441,797 was collateralized under GUDPA.

During the fiscal year, the School district participated in the New Jersey Cash Management Fund. This Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial risk. Accordingly, the School District's deposits with the New Jersey Cash Management Fund of \$102,974 were uninsured and uncollateralized.

3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District 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 School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-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.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

3. CAPITAL RESERVE ACCOUNT (Continued)

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

Balance – July 1, 2015		\$ 1,707,921
Increased by:		
Interest earned	\$ 2,784	
Unspent balance	101,521	
Board resolution	539,500	643,805
		2,351,726
Decreased by:		
Transfer to General Fund Budget		335,000
 Balance – June 30, 2016		 \$ 2,016,726

The June 30, 2016 capital reserve balance does not exceed the LRF balance of local support costs of uncompleted capital projects.

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2016 consisted of accounts (fees) and intergovernmental grants. All intergovernmental 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 at June 30, 2016 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Internal Service Fund	Total
State Aid	\$ 904,146	\$ -	\$ 874,476	\$ 699	\$ -	\$ 1,779,321
Federal Aid		86,720		27,293		114,013
Other	347,485			160,704	113,242	621,431
	\$ 1,251,631	\$ 86,720	\$ 874,476	\$ 188,696	\$ 113,242	\$ 2,514,765

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2016</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 1,621,644	\$ -	\$ -	\$ 1,621,644
Construction in progress	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total capital assets, not being Depreciated	<u>1,621,644</u>	<u> </u>	<u> </u>	<u>1,621,644</u>
<i>Capital Assets, being depreciated:</i>				
Site Improvements	990,414	15,225	<u> </u>	1,005,639
Building and Building Improvements	84,463,030	1,368,227	<u> </u>	85,831,257
Equipment	8,431,932	894,012	<u> </u>	9,325,944
Totals at historical cost	<u>93,885,376</u>	<u>2,277,464</u>	<u> </u>	<u>96,162,840</u>
<i>Less Accumulated Depreciation:</i>				
Site Improvements	(780,557)	(25,002)	<u> </u>	(805,559)
Building and Building Improvements	(26,876,767)	(1,785,176)	<u> </u>	(28,661,943)
Equipment	(5,460,890)	(799,894)	<u> </u>	(6,260,784)
Totals accumulated depreciation	<u>(33,118,214)</u>	<u>(2,610,072)</u>	<u> </u>	<u>(35,728,286)</u>
Total Capital Assets, being depreciated, net	<u>60,767,162</u>	<u>(332,608)</u>	<u> </u>	<u>60,434,554</u>
Governmental Activities Capital Assets, Net	<u>\$ 62,388,806</u>	<u>\$ (332,608)</u>	<u>\$ -</u>	<u>\$ 62,056,198</u>
	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2016</u>
<u>Business-Type Activities:</u>				
<i>Capital Assets, being depreciated:</i>				
Building and Building Improvements	\$ 376,275	\$ -	\$ -	\$ 376,275
Equipment	456,400	<u> </u>	<u> </u>	456,400
Less accumulated depreciation	<u>(484,903)</u>	<u>(13,655)</u>	<u> </u>	<u>(498,558)</u>
Total Capital Assets, being depreciated, net	<u>347,772</u>	<u>(13,655)</u>	<u> </u>	<u>334,117</u>
Business-Type Activities Capital Assets, Net	<u>\$ 347,772</u>	<u>\$ (13,655)</u>	<u>\$ -</u>	<u>\$ 334,117</u>

Depreciation expense in the amount of \$2,610,072 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	1,827,050
Administration	261,007
Plant Operations and Maintenance	391,511
Unallocated	<u>130,504</u>
Total depreciation expense	<u>\$ 2,610,072</u>

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

6. INVENTORY

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

Food	\$ 26,577
Supplies	<u>11,260</u>
	<u>\$ 37,837</u>

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2016, the following changes occurred in long-term obligations:

	<u>Balance June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
Bonds Payable	\$ 24,555,000	\$ -	\$ 3,525,000	\$ 21,030,000	\$ 3,595,000
Unamortized Premiums	<u>860,899</u>		<u>202,565</u>	<u>658,334</u>	<u>202,565</u>
Total Bonds Payable	25,415,899		3,727,565	21,688,334	3,797,565
Compensated Absences Payable	1,404,700	139,898		1,544,598	
Net Pension Liability	<u>8,723,439</u>		<u>653,661</u>	<u>8,069,778</u>	
Total Long-Term Obligations	<u>\$ 35,544,038</u>	<u>\$ 139,898</u>	<u>\$ 4,381,226</u>	<u>\$ 31,302,710</u>	<u>\$ 3,797,565</u>

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are as follows:

Refunding Bonds - Authorized and issued, \$12,465,000, dated April 1, 2012, for refunding a portion of the 2004 bonds issued for the acquisition of land, construction of a new elementary school, expansion of Fountain Woods Elementary School and High School. The final maturity is due July 15, 2024 with interest rates varying from 3.50% to 5.00%

Refunding Bonds - Authorized and issued, \$8,565,000, dated October 3, 2013, for refunding the Refunding School Bonds of the district dated September 1, 2004. The final maturity is due January 15, 2020 with interest rates varying from 1.50% to 5.00%

Debt Service Requirements

Principal and interest due on bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 3,595,000	\$ 879,050	\$ 4,474,050
2018	3,665,000	746,650	4,411,650
2019	3,495,000	592,900	4,087,900
2020	2,885,000	439,200	3,324,200
2021	1,385,000	309,225	1,694,225
2022-2025	<u>6,005,000</u>	<u>602,475</u>	<u>6,607,475</u>
	<u>\$ 21,030,000</u>	<u>\$ 3,569,500</u>	<u>\$ 24,599,500</u>

As of June 30, 2016 the District had no authorized but not issued bonds.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

7. LONG-TERM OBLIGATIONS (Continued)

Refunding -

On October 3, 2013 the School District issued \$13,325,000 in general obligation refunding bonds with a variable interest rate of 1.50% to 5.00% to advance refund \$14,080,000 of outstanding callable 2004 refunding bonds with a variable interest rate of 3.75% to 5.00%. The net proceeds of \$14,403,644 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2004 refunding bonds.

The School District advanced refunded the 2004 refunding bonds to reduce its total debt service payments over the next six years by \$1,263,234 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$1,205,983.

Compensated Absences

Compensated absences will be paid from the fund from which the employees' salaries are paid.

8. OPERATING LEASES

The District has various commitments for office equipment under operating leases which fully expire in 2018. Total operating lease payments made during the year ended June 30, 2016 and 2015 were \$88,941 and \$75,261, respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2017	\$ 88,391
June 30, 2018	77,080
June 30, 2019	65,768
June 30, 2020	<u>5,383</u>
Total future minimum lease payments	<u>\$ 236,622</u>

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114, 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92 P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years.

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.

For the year ended June 30, 2016, the District recognized pension expense of \$9,460,557 and revenue of \$9,460,557 for support provided by the State. Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district.

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	06/30/15	06/30/14
Collective deferred outflows of resources	\$ 7,521,378,257	\$ 2,306,623,861
Collective deferred inflows of resources	554,399,005	1,763,205,593
Collective net pension liability (Non-Employer – State of New Jersey)	63,577,864,440	53,446,745,367
State's portion of the net pension liability that was associated with the district	154,941,220	131,930,422
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	.2451435951%	.2468446315%

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. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation: 2.5%
- Salary Increases: Varies based on experience
- Investment Rate of Return: 7.90%

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

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.

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, 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	05.00%	0.53%
Government Bonds	01.75%	1.39%
Credit Bonds	13.50%	2.72%
Mortgages	02.10%	2.54%
Inflation-Indexed Bonds	01.50%	1.47%
High Yield Bonds	02.00%	4.57%
Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	06.40%	8.46%
Private Real Estate Property	04.25%	3.97%
Timber	01.00%	4.09%
Farmland	01.00%	4.61%
Private Equity	09.25%	9.15%
Commodities	01.00%	3.58%
Hedge Funds – MultiStrategy	04.00%	4.59%
Hedge Funds – Equity Hedge	04.00%	5.68%
Hedge Funds - Distressed	04.00%	4.30%
	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the 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, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based 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.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Since the District has no proportionate share of the net pension liability, because of the special funding situation, the district would not be sensitive to any changes in the discount rate.

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Retroactive</u>	<u>Total Liability Paid by District</u>
2016	\$ 52,323	\$ 241,033	\$ 15,707		\$ 309,063
2015	63,945	295,794	24,365	737	384,841
2014	67,811	298,136	6,224		372,171

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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 Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

For the year ended June 30, 2016, the District recognized pension expense of \$88,785. At June 30, 2016, the District reported a liability of \$8,069,778 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 192,517	\$ -
Changes of assumptions	866,630	
Net Difference between projected and actual earnings on pension plan investments		129,747
Changes in proportion		2,059,798
District contributions subsequent to the measurement date	317,792	
Total	\$ 1,376,939	\$2,189,545

\$317,792 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 liability in the year ended June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Inflows of Resources
2016	\$ (380,753)
2017	(380,753)
2018	(380,753)
2019	(137,740)
2020	149,600
Total	\$ (1,130,399)

Additional Information

Collective balances at June 30, 2015 and 2014 are as follows:

	6/30/2015	6/30/2014
Collective deferred outflows of resources	\$ 3,578,755,666	\$ 952,194,675
Collective deferred inflows of resources	\$ 993,410,455	\$ 1,479,224,662
Collective net pension liability	\$ 22,447,996,119	\$ 18,722,735,003
District's Proportion	.0359487690%	.0465927608%

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation rate: 3.04%
- Salary Increases:
 - 2012-2021: 2.15-4.40% based on age
 - Thereafter: 3.15-5.40% based on age
- Investment Rate of Return: 7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for 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.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS'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	05.00%	01.04%
U.S. Treasuries	01.75%	01.64%
Investment Grade Credit	10.00%	01.79%
Mortgages	02.10%	01.62%
High Yield Bonds	02.00%	04.03%
Inflation Indexed Bonds	01.50%	03.25%
Broad US Equities	27.25%	08.52%
Developed Foreign Equities	12.00%	06.88%
Emerging Market Equities	06.40%	10.00%
Private Equity	09.25%	12.41%
Hedge Funds/Absolute Ret	12.00%	04.72%
Real Estate (Property)	02.00%	06.83%
Commodities	01.00%	05.32%
Global Debt ex US	03.50%	-0.40%
REIT	04.25%	5.12%
	<u>100.00%</u>	

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Discount rate. The discount rate used to measure the State's total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.8% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based 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 measured as of June 30, 2015, calculated using the discount rate of 4.90%, 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:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's proportionate share of the net pension liability	\$ 10,029,747	\$ 8,069,778	\$ 6,426,554

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2016	\$ 11,004	\$ 11,004
2015	17,353	17,353
2014	12,570	12,570

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

10. POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established to provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c. 384 and P.L. 1990, c.6 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.

The State establishes the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contribution to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the year ended June 30, 2016 was \$2,304,427 which equaled the required contributions. The State's contribution to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2016, the School District has recognized as revenues and expenditures \$1,935,317 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$1,861,945 for employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. 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; employee health and accident claims; and natural disasters. The District has chosen to purchase insurance to transfer the risk to outside parties.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

12. RISK MANAGEMENT (Continued)

Property and Liability Insurance - The District maintains commercial insurance coverage for all risks of loss, including property, liability, employee health, accident insurance and public official surety bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

A complete schedule of insurance coverage can be found in the "Statistical Section" of this report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Business Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior four years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$ 47,795	\$ -	\$ 1,798	\$ 47,811	\$ 608,364
2014-2015	46,758	45,820	1,522	39,672	606,582
2013-2014	64,595	195,673	516	207,169	552,154
2012-2013	49,059	426,087	163	90,169	498,539
2011-2012	47,072	177,936	536	156,785	113,399

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

14. COMPENSATED ABSENCES

The School 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.

School District employees are granted vacation and sick leave in varying amounts in accordance with the School District's personnel policies. Unused sick leave may be accumulated carried forward to the subsequent years. Employees who retire from the School District shall be paid for unused sick leave in accordance with the School District's agreement or personnel policy.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2016, the liability for compensated absences in the governmental fund was \$1,544,598.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

15. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2016. The following interfund balances were recorded on the various balance sheets as of June 30, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 1,132,369	\$ 124,615
Special Revenue		59,717
Capital Projects		596,885
Debt Service	13,870	
Proprietary	67,626	371,969
Internal Service		113,242
Fiduciary	56,989	4,426
	<u>\$ 1,270,854</u>	<u>\$ 1,270,854</u>

16. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2016, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. DEFICIT UNASSIGNED FUND BALANCE

The School District has a deficit unassigned fund balance of \$429,709 in the General Fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$429,709 is equal to or less than the June state aid payments.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

18. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2016, a deficit of \$11,270,635 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances June 30, 2016	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ (429,709)
Liabilities:	
Accrued interest Payable	(413,944)
Net pension differences	(8,882,384)
Compensated Absences	<u>(1,544,598)</u>
Unrestricted Net Position (Deficit)	<u>\$ (11,270,635)</u>

19. FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District’s fund balance are summarized as follows:

General Fund:

Capital Reserve – As of June 30, 2016, the balance in the capital reserve account is \$2,016,726, all of which is restricted for future capital outlay expenditures for capital projects in the School District’s approved Long Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2016, the balance in the maintenance reserve account is \$946,000. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

ASSIGNED

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District’s *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District’s fund balance are summarized as follows:

General Fund:

Designated for Subsequent Year’s Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017, \$1,677,716 of general fund balance at June 30, 2016.

Other Purposes – At June 30, 2016 the School District has \$191,126 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**Burlington Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

19. FUND BALANCES (Continued)

Capital Projects Fund:

Other Purposes – At June 30, 2016 the School District has \$3,404 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2016, a deficit balance of \$429,709 was unassigned.

Capital Projects Fund – As of June 30, 2016, \$9,878 was unassigned.

Debt Service Fund – As of June 30, 2016, \$13,870 was unassigned.

20. SUBSEQUENT EVENTS

On July 19, 2016, the District issued School Bonds in the amount of \$10,114,000. The bonds are being issued to undertake various improvements and renovations, to acquire the necessary furnishings and equipment, and site work. The bonds bear interest rates of 1.00% to 2.00% with principal maturities from July 2018 through July 2026.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

BURLINGTON TOWNSHIP BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 38,793,919	\$ -	\$ 38,793,919	\$ 38,793,919	\$ -
Tuition - other LEAS	39,000		39,000	476,562	437,562
Tuition - from individuals				15,925	15,925
Transportation fees	15,000		15,000	27,988	12,988
Capital reserve interest	200		200	2,784	2,584
Unrestricted miscellaneous revenue	77,000		77,000	393,855	316,855
Total local sources	38,925,119		38,925,119	39,711,033	785,914
State sources:					
Categorical special education aid	2,283,101		2,283,101	2,283,101	
Equalization aid	14,972,792		14,972,792	14,972,792	
Categorical security aid	423,257		423,257	423,257	
Categorical transportation aid	707,284		707,284	707,284	
Under adequacy aid	34,377		34,377	34,377	
PARCC Readiness Aid	40,040		40,040	40,040	
Per Pupil Growth Aid	40,040		40,040	40,040	
Homeless tuition				292,205	292,205
Additional non-public transportation aid				33,436	33,436
Extraordinary aid	400,000		400,000	486,801	86,801
On-behalf TPAF Pension (non-budgeted)				1,935,317	1,935,317
On-behalf TPAF post retirement (non-budgeted)				2,304,427	2,304,427
Reimbursed TPAF social security contributions (non-budgeted)				1,861,945	1,861,945
Total state sources	18,900,891		18,900,891	25,415,022	6,514,131
Federal sources:					
Medicaid Reimbursement	57,458		57,458	88,118	30,660
Total federal sources	57,458		57,458	88,118	30,660
TOTAL REVENUES	57,883,468		57,883,468	65,214,173	7,330,705
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	80,759	(77,835)	2,924		2,924
Kindergarten	689,451	4,000	693,451	692,142	1,309
Grades 1-5	5,321,787	(289,600)	5,032,187	5,023,751	8,436
Grades 6-8	4,218,159	(138,900)	4,079,259	4,078,088	1,171
Grades 9-12	5,922,920	(124,200)	5,798,720	5,797,033	1,687
Total Instruction	16,233,076	(626,535)	15,606,541	15,591,014	15,527
Regular Programs - Home Instruction:					
Salaries of teachers	187,553	(13,721)	173,832	165,380	8,452
Purchased Prof. - Ed. Services	24,000		24,000	23,519	481
Total Home Instruction	211,553	(13,721)	197,832	188,899	8,933
Regular Programs - Undistributed Instruction:					
Purchased Prof. - Ed. Services	80,325	784,550	864,875	811,109	53,766
Other purchased services	146,010	(9,300)	136,710	114,603	22,107
General supplies	490,051	20,085	510,136	462,233	47,903
Textbooks	39,000	15,010	54,010	49,315	4,695
Total Undistributed Instruction	755,386	810,345	1,565,731	1,437,260	128,471
Total - Regular Programs - Instruction	17,200,015	170,089	17,370,104	17,217,173	152,931

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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BURLINGTON TOWNSHIP BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Learning and/or Language Disabilities					
Salaries of teachers	\$ 196,742	\$ -	\$ 196,742	\$ 196,742	\$ -
Other salaries for instruction	46,190		46,190	46,190	
Purchased professional - educ services	41,361	(15,020)	26,341	24,366	1,975
General supplies	13,000	(7,000)	6,000	4,516	1,484
Total Learning and/or Language Disabilities	<u>297,293</u>	<u>(22,020)</u>	<u>275,273</u>	<u>271,814</u>	<u>3,459</u>
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	320,281	20,000	340,281	339,725	556
Other salaries for instruction	43,048		43,048	42,721	327
Purchased professional - educ services	200,369	(27,000)	173,369	169,844	3,525
General supplies	9,500	270	9,770	9,361	409
Textbooks	1,500	(1,500)			
Total Multiple Disabilities	<u>574,698</u>	<u>(8,230)</u>	<u>566,468</u>	<u>561,651</u>	<u>4,817</u>
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	3,317,706	(244,398)	3,073,308	3,065,081	8,227
Other salaries for instruction	113,396	(1)	113,395	90,300	23,095
Purchased professional education services	564,962	63,120	628,082	615,394	12,688
General supplies	37,500	(317)	37,183	34,655	2,528
Textbooks	3,900	2,050	5,950	5,542	408
Total Resource Room/Resource Center	<u>4,037,464</u>	<u>(179,546)</u>	<u>3,857,918</u>	<u>3,810,972</u>	<u>46,946</u>
Special Educ Instruction: Autism					
Salaries of teachers	292,890	6,000	298,890	298,661	229
Purchased professional - educ services	145,421	(49,401)	96,020	89,659	6,361
General supplies	8,850		8,850	6,804	2,046
Total Autism	<u>447,161</u>	<u>(43,401)</u>	<u>403,760</u>	<u>395,124</u>	<u>8,636</u>
Special Educ Instruction: Preschool Disabilities - PT					
Salaries of teachers	26,268		26,268	26,268	
Total Preschool Disabilities - Part-Time	<u>26,268</u>		<u>26,268</u>	<u>26,268</u>	
Special Educ Instruction: Preschool Disabilities - FT					
Salaries of teachers	217,911	60,000	277,911	257,475	20,436
Purchased professional - educ services	426,583	(61,645)	364,938	351,270	13,668
Total Preschool Disabilities - Full-Time	<u>644,494</u>	<u>(1,645)</u>	<u>642,849</u>	<u>608,745</u>	<u>34,104</u>
Total Special Education - Instruction	<u>6,027,378</u>	<u>(254,842)</u>	<u>5,772,536</u>	<u>5,674,574</u>	<u>97,962</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	577,974	(10,300)	567,674	533,745	33,929
Other salaries for instruction	23,398	5,300	28,698	28,603	95
Purchased professional - educ services	12,000	(8,000)	4,000	3,200	800
Total Basic Skills/Remedial - Instruction	<u>613,372</u>	<u>(13,000)</u>	<u>600,372</u>	<u>565,548</u>	<u>34,824</u>
Bilingual Education - Instruction					
Salaries of teachers	277,795	5,000	282,795	281,901	894
General supplies	5,300	200	5,500	4,539	961
Textbooks	500		500	409	91
Total Bilingual Instruction- Instruction	<u>283,595</u>	<u>5,200</u>	<u>288,795</u>	<u>286,849</u>	<u>1,946</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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BURLINGTON TOWNSHIP BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Vocational Programs - Local - Instruction					
Salaries of teachers	\$ 126,423	\$ 600	\$ 127,023	\$ 127,007	\$ 16
General supplies	21,000	(600)	20,400	18,277	2,123
Total Vocational Programs- Instruction	147,423		147,423	145,284	2,139
School-Sponsored Cocurricular Act - Inst.					
Salaries	187,565	(9,400)	178,165	175,373	2,792
Supplies and materials	85,700	(13,473)	72,227	54,878	17,349
Total School-Sponsored Cocurr. Act. - Inst	273,265	(22,873)	250,392	230,251	20,141
School-Sponsored Athletics - Inst.					
Salaries	384,960	8,255	393,215	391,058	2,157
Purchased services (300-500)	50,300	(3,416)	46,884	42,859	4,025
Supplies and materials	55,366	12,300	67,666	63,379	4,287
Transfer to cover deficit (agency funds)	70,000		70,000	70,000	
Total School-Sponsored Athletics - Inst	560,626	17,139	577,765	567,296	10,469
Summer School					
Salaries	172,900	(42,000)	130,900	126,532	4,368
Other Salaries of Instructions	30,000	(5,000)	25,000	24,450	550
Purchased Professional & Technical Services	86,134	(6,000)	80,134	79,590	544
General Supplies	2,050	(1,200)	850	850	850
Total Summer School	291,084	(54,200)	236,884	230,572	6,312
Other Supplemental/At-Risk Programs					
Salaries of Teacher Tutors	54,294	(26,000)	28,294	12,940	15,354
Salaries of Reading Specialist	58,377		58,377	57,686	691
Total Other Supplemental/At-Risk Programs	112,671	(26,000)	86,671	70,626	16,045
Undistributed Expenditures - Instruction					
Tuition to other LEA's w/ the state - reg.	40,000	13,000	53,000	39,402	13,598
Tuition to other LEA's w/ the state - spl.	40,000	1,000	41,000	40,540	460
Tuition to county voc. school dist. - reg.	285,000	(54,000)	231,000	229,248	1,752
Tuition to CSSD & reg. day schools	1,085,110	(355,384)	729,726	600,941	128,785
Tuition to priv. sch. for the disabled w/i state	1,434,004	81,197	1,515,201	1,467,347	47,854
Tuition to priv. sch. for the disabled out state	65,000	35,790	100,790	85,905	14,885
Tuition - state facilities	4,500		4,500	4,500	
Tuition - Other	45,000	(20,000)	25,000	25,000	
Total Undistributed Expenditures - Instruction	2,998,614	(298,397)	2,700,217	2,492,883	207,334
Undistributed Expenditures - Attend. and Social Work					
Salaries	76,797	30,633	107,430	107,025	405
Other Purchased Serv.	1,500	1,000	2,500	2,487	13
Total Undistributed Expenditures - Attendance	78,297	31,633	109,930	109,512	418
Undistributed Expenditures - Health Services					
Salaries	501,724	(19,000)	482,724	477,464	5,260
Purchased prof. and technical services	59,108	42,200	101,308	100,688	620
Supplies and materials	12,342	(2,700)	9,642	8,289	1,353
Total Undistributed Expenditures - Health Svcs.	573,174	20,500	593,674	586,441	7,233

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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BURLINGTON TOWNSHIP BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech, OT, PT, - Related Services					
Salaries	\$ 644,728	\$ (66,957)	\$ 577,771	\$ 574,987	\$ 2,784
Purchased prof. and educational services	283,044	29,567	312,611	308,740	3,871
Supplies and materials	8,650		8,650	5,751	2,899
Total Undst. Expend. - Speech, OT, PT. - Rel. Serv.	936,422	(37,390)	899,032	889,478	9,554
Undist. Expend. - Other Supp. Serv. Stud. - Extra. Serv.					
Salaries	65,481	60,306	125,787	123,049	2,738
Purchased prof. and educational services	1,696,625	62	1,696,687	1,680,640	16,047
Total Undst. Expend. - Other Supp. Serv. Stud. - Extra. Serv.	1,762,106	60,368	1,822,474	1,803,689	18,785
Undist. Expend. - Guidance					
Salaries of other professional staff	1,086,953	(26,100)	1,060,853	1,056,247	4,606
Salaries of secretarial and clerical assistants	239,397	16,000	255,397	254,832	565
Other purchased prof. and technical services	32,925	(2,000)	30,925	28,175	2,750
Other purchased prof. services	1,100		1,100	267	833
Supplies and materials	33,500	(9,100)	24,400	21,515	2,885
Other objects	1,000		1,000	819	181
Total Undst. Expend. - Guidance	1,394,875	(21,200)	1,373,675	1,361,855	11,820
Undist. Expend. - Child Study Team					
Salaries of other professional staff	970,592	(6,500)	964,092	960,876	3,216
Salaries of secretarial and clerical assistants	139,015	5,000	144,015	143,227	788
Purchased Prof. - Ed Services	82,000	(29,335)	52,665	52,630	35
Other purchased prof. and technical services	52,000	(40,000)	12,000	11,346	654
Other purchased services	1,500	500	2,000	1,332	668
Residential costs					
Supplies and materials	50,000	(13,295)	36,705	36,036	669
Other objects	1,500		1,500		1,500
Total Undst. Expend. - Child Study Team	1,296,607	(83,630)	1,212,977	1,205,447	7,530
Undist. Expend. - Improvement of Instr. Services					
Salaries of supervisor of instruction	626,250	90,000	716,250	699,353	16,897
Salaries of other professional staff	99,077	(9,900)	89,177	85,573	3,604
Salaries of secretarial and clerical assistants	48,004		48,004	48,004	
Other Salaries	80,700	(20,100)	60,600	58,997	\$1,603
Salaries of Facilitators, Math & Literacy	69,501	45,331	114,832	112,784	2,048
Purchased prof. and educational services	26,000	(25,985)	15		15
Other purchased services (400-500)	29,000	(13,386)	15,614	12,858	2,756
Supplies and materials	108,000	235,000	343,000	341,776	1,224
Other Objects	9,740	(4,000)	5,740	4,221	1,519
Total Undst. Expend. - Improvement of Instr. Services	1,096,272	296,960	1,393,232	1,363,566	29,666
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	144,261	1,000	145,261	144,473	788
Supplies and materials	292,228	265,860	558,088	549,073	9,015
Total Undst. Expend. - Educ. Media Serv./Sch. Library	436,489	266,860	703,349	693,546	9,803
Undist. Expend. - Instructional Staff Training					
Salaries of other professional staff	22,307	(20,400)	1,907	1,290	617
Purchased prof. and educational services	5,000	(5,000)			
Other purchased services (400-500)	13,400	8,600	22,000	15,725	6,275
Total Undst. Expend. - Instructional Staff Training	40,707	(16,800)	23,907	17,015	6,892

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final

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BURLINGTON TOWNSHIP BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	\$ 316,309	\$ (57,867)	\$ 258,442	\$ 252,652	\$ 5,790
Legal services	180,000	(15,115)	164,885	164,548	337
Audit fees	33,600		33,600	33,600	
Architectural/Engineering Services	11,000	60,778	71,778	70,465	1,313
Other purchased professional services	41,000	(36,960)	4,040	4,040	
Communications / telephone	391,500	(80,213)	311,287	307,199	4,088
BOE Other Purchased Services	1,500		1,500	469	1,031
Other purchased services (400-500)	58,800	23,567	82,367	68,247	14,120
General supplies	10,000	25,700	35,700	24,308	11,392
BOE In-House Training/Meeting Supplies	9,000		9,000	4,479	4,521
Miscellaneous expenditures	8,500		8,500	775	7,725
BOE Membership Dues and Fees	29,000		29,000	20,924	8,076
Total Undst. Expend. - Supp. Serv. General Admin.	1,090,209	(80,110)	1,010,099	951,706	58,393
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	1,455,333	(141,000)	1,314,333	1,311,828	2,505
Salaries of secretarial and clerical assistants	536,031	1,017	537,048	509,330	27,718
Other purchased services (400-500)	8,850	6,500	15,350	7,199	8,151
Supplies and materials	264,700	(95,603)	169,097	149,982	19,115
Other Objects	17,300	3,341	20,641	20,641	
Total Undst. Expend. - Supp. Serv. School Admin.	2,282,214	(225,745)	2,056,469	1,998,980	57,489
Undist. Expend. - Central Services					
Salaries	540,546	134,000	674,546	659,334	15,212
Misc. Purchased services	41,900	7,500	49,400	42,883	6,517
Supplies and materials	142,900	(102,091)	40,809	34,770	6,039
Miscellaneous Expenditures	5,000		5,000	4,881	119
Total Undst. Expend. - Central Services	730,346	39,409	769,755	741,868	27,887
Undist. Expend. - Admin Info Technology					
Purchased Technical Services	405,767	(37,095)	368,672	367,669	1,003
Other purchased services (400-500)		6,345	6,345	5,391	954
Supplies and materials	148,915	(77,170)	71,745	70,310	1,435
Total Undst. Expend. - Admin Info Technology	554,682	(107,920)	446,762	443,370	3,392
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	361,876	71,678	433,554	427,696	5,858
Cleaning, repair, and maintenance services	333,004	(26,400)	306,604	301,562	5,042
General supplies	136,404	176,991	313,395	297,263	16,132
Total Undst. Expend. - Required Maint. Sch. Facilities	831,284	222,269	1,053,553	1,026,521	27,032
Undist. Expend. - Custodial Services					
Salaries of Non-Instructional Aides	171,877	110,500	282,377	277,155	5,222
Purchased professional & tech. services	2,353,006	13,211	2,366,217	2,356,474	9,743
Other purchased property services	30,500	(3,000)	27,500	27,253	247
Insurance	284,100	(5,000)	279,100	278,489	611
General supplies	101,500	(38,800)	62,700	62,378	322
Energy (Electricity)	1,220,000	(106,200)	1,113,800	1,112,282	1,518
Energy (Natural Gas)	300,000	(127,965)	172,035	167,555	4,480
Total Undst. Expend. - Custodial Services	4,460,983	(157,254)	4,303,729	4,281,586	22,143
Undist. Expend. - Care & Upkeep of Grounds					
Purchased professional & tech. services	52,000	(44,500)	7,500		7,500
Cleaning, repair, and maintenance services	25,000	(24,000)	1,000		1,000
General supplies	62,000		62,000	60,738	1,262
Total Undst. Expend. - Care & Upkeep of Grounds	139,000	(68,500)	70,500	60,738	9,762

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

BURLINGTON TOWNSHIP BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Security					
Salaries	\$ 194,862	\$ 46,445	\$ 241,307	\$ 237,901	\$ 3,406
Purchased professional & tech. services	26,600	6,605	33,205	30,331	2,874
Cleaning, repair, and maintenance services	45,000	(14,310)	30,690	30,655	35
General supplies	19,244	(6,190)	13,054	11,887	1,167
Total Undst. Expend. - Security	285,706	32,550	318,256	310,774	7,482
Total Undst. Expend. - Oper. & Maint. of Plant Services	5,716,973	29,065	5,746,038	5,679,619	66,419
Undist. Expend. - Student Trans. Services					
Salaries for Non-Instructional Aides	70,496	(24,980)	45,516	43,125	2,391
Salaries for pupil trans (bet home & sch) - reg ed.	114,770	900	115,670	115,224	446
Salaries for pupil trans (bet home & sch) - spl. ed.	247,530	111,812	359,342	354,959	4,383
Salaries for pupil trans (other than bet home & sch)	35,027	1,000	36,027	35,781	246
Cleaning, repair, and maintenance services	30,560	21,100	51,660	51,100	560
Lease purchase payments - school buses	27,500	(27,000)	500	500	500
Contr. serv. (bet. home & sch.) - vendors	1,762,702	(26,975)	1,735,727	1,735,059	668
Contr. serv. (other than bet. home & sch.) - vendors	143,224	(95,035)	48,189	36,487	11,702
Contr. serv. (sp ed stds) - vendors	443,809	(81,200)	362,609	357,642	4,967
Contr. serv. (sp ed stds) - joint agreements	11,654	10,200	21,854	21,562	292
Contr. serv. Aid in Lieu Pymts - Non Public	155,016	(56,000)	99,016	97,549	1,467
Misc. purchased services - transportation	3,000	(1,000)	2,000	1,772	228
Supplies and materials	5,432	(2,000)	3,432	3,027	405
Total Undst. Expend. - Student Trans. Services	3,050,720	(169,178)	2,881,542	2,853,287	28,255
Regular Programs - Instruction - Employee Benefits					
Social security contributions	358,010	(42,300)	315,710	314,251	1,459
Other retirement contributions - PERS	391,475	(56,000)	335,475	332,428	3,047
Unemployment Compensation	60,000	(59,794)	206	206	206
Workmen's Compensation	302,500	(5,000)	297,500	297,164	336
Health benefits	7,752,618	(182,900)	7,569,718	7,566,211	3,507
Tuition reimbursement	90,000		90,000	70,805	19,195
Unused Sick Payment to Terminated/Retired Staff		43,505	43,505	43,505	
Other employee benefits	136,246	(83,190)	53,056	8,129	44,927
Total Regular Programs - Instruction	9,090,849	(385,679)	8,705,170	8,632,493	72,677
Support Services - General Administration - Employee Benefits					
Social security contributions	90,000	36,500	126,500	126,256	244
Workmen's Compensation	25,000	(21,000)	4,000	2,142	1,858
Health benefits	546,190	(25,000)	521,190	519,916	1,274
Tuition reimbursement	5,000	5,340	10,340	10,270	70
Other employee benefits	25,000	(12,900)	12,100	11,779	321
Total Other Support Services	691,190	(17,060)	674,130	670,363	3,767
Total Allocated Benefits	9,782,039	(402,739)	9,379,300	9,302,856	76,444
On-behalf TPAF Pension Contributions (non-budgeted)				1,935,317	(1,935,317)
On-behalf TPAF post retirement (non-budgeted)				2,304,427	(2,304,427)
Reimbursed TPAF social security contributions (non-budgeted)				1,861,945	(1,861,945)
Total Undistributed Expenditures - TPAF				6,101,689	(6,101,689)
Total Undistributed Expenditures	\$ 33,820,746	\$ (698,314)	\$ 33,122,432	\$ 38,596,807	\$ (5,474,375)
Total General Current Expense	\$ 59,330,175	\$ (876,801)	\$ 58,453,374	\$ 63,584,980	\$ (5,131,606)

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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BURLINGTON TOWNSHIP BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY:					
Equipment:					
Kindergarten	\$ -	\$ 19,540	\$ 19,540	\$ 19,540	\$ -
Grades 6-8	4,610	7,700	12,310	9,995	2,315
Grades 9-12	8,000	179,154	187,154	185,996	1,158
Support Staff - Instruct. Staff	30,000	(9,860)	20,140	17,870	2,270
General Administration	25,001	1,120	26,121	1,120	25,001
Admin. Info. Technology		315,721	315,721	315,495	226
Undistributed Expenditures - Required Maint.	110,277	572,913	683,190	377,504	305,686
Undist. Exp. - Non-Instructional - School Buses - Special		125,513	125,513	125,512	1
Total Equipment	<u>177,888</u>	<u>1,211,801</u>	<u>1,389,689</u>	<u>1,053,032</u>	<u>336,657</u>
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA funding	<u>163,860</u>		<u>163,860</u>	<u>163,860</u>	
Total Facilities Acquisition and Construction Services	<u>163,860</u>		<u>163,860</u>	<u>163,860</u>	
Total Capital Outlay	<u>341,748</u>	<u>1,211,801</u>	<u>1,553,549</u>	<u>1,216,892</u>	<u>336,657</u>
Transfer of Funds to Charter Schools	<u>18,393</u>	<u>-</u>	<u>18,393</u>	<u>18,393</u>	
Total Expenditures	<u>59,690,316</u>	<u>335,000</u>	<u>60,025,316</u>	<u>64,820,265</u>	<u>\$ (4,794,949)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(1,806,848)</u>	<u>(335,000)</u>	<u>(2,141,848)</u>	<u>393,908</u>	<u>2,535,756</u>
Other Financing Sources(Uses):					
Operating transfer out - Capital Projects Fund					
Total Other Financing Sources					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	<u>(1,806,848)</u>	<u>(335,000)</u>	<u>(2,141,848)</u>	<u>393,908</u>	<u>2,535,756</u>
Fund Balance, July 1	<u>5,731,999</u>		<u>5,731,999</u>	<u>5,731,999</u>	
Fund Balance, June 30	<u>\$ 3,925,151</u>	<u>\$ (335,000)</u>	<u>\$ 3,590,151</u>	<u>\$ 6,125,907</u>	<u>\$ 2,535,756</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Maintenance Reserve				\$ 946,000	
Capital Reserve Account				2,016,726	
Assigned Fund Balance:					
Year-end Encumbrances				191,126	
Designated for Subsequent Year's Expenditures				1,677,716	
Unassigned Fund Balance				<u>1,294,339</u>	
				6,125,907	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(1,724,048)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,401,859</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

BURLINGTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ 35,330	\$ -	\$ 35,330	\$ 8,529	\$ (26,801)
State sources	15,516		15,516	15,314	(202)
Federal sources	1,333,952		1,333,952	1,269,141	(64,811)
Total revenues	1,384,798		1,384,798	1,292,984	(91,814)
EXPENDITURES:					
Instruction:					
Salaries of teachers	277,375		277,375	257,496	19,879
Professional education services	27,000		27,000	20,450	6,550
Purchased professional - tech. services	28,417		28,417	28,417	
Tuition	883,377		883,377	883,377	
General supplies	93,571		93,571	44,616	48,955
Textbooks	4,340		4,340	4,143	197
Total instruction	1,314,080		1,314,080	1,238,499	75,581
Support services:					
Salaries	6,073		6,073	800	5,273
Personal services - employee benefits	34,710		34,710	30,803	3,907
Purchased professional - educ. services	11,176		11,176	11,171	5
Purchased professional and technical services	5,000		5,000	1,586	3,414
General supplies	3,634		3,634		3,634
Total support services	60,593		60,593	44,360	16,233
Facilities acquisition and construction services:					
Instructional equipment	6,345		6,345	6,345	
Noninstructional equipment	3,780		3,780	3,780	
Total facilities acq. and const. services	10,125		10,125	10,125	
Total expenditures	1,384,798		1,384,798	1,292,984	91,814
Total outflows	1,384,798		1,384,798	1,292,984	91,814
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -

**Burlington Township School District
Notes to Required Supplementary Information
Budgetary Comparison**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 65,214,173	\$ 1,292,984
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,731,639	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(1,724,048)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 65,221,764</u>	<u>\$ 1,292,984</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 64,820,265	\$ 1,292,984
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 64,820,265</u>	<u>\$ 1,292,984</u>

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions (GASB 68)

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Three Fiscal Years

	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0359487690%	0.0465927608%	0.0493936415%
District's proportionate share of the net pension liability (asset)	\$ 8,069,778	\$ 8,723,439	\$ 9,440,106
District's covered-employee payroll	2,400,251	2,432,574	2,428,688
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	336.21%	358.61%	388.69%
Plan fiduciary net position as a percentage of the total pension liability	38.21%	42.74%	40.71%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Three Fiscal Years

	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 317,792	\$ 309,063	\$ 384,104
Contributions in relation to the contractually required contributions	<u>(317,792)</u>	<u>(309,063)</u>	<u>(384,104)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	2,400,251	2,432,574	2,428,688
Contributions as a percentage of covered-employee payroll	13.24%	12.71%	15.82%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Three Fiscal Years

	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.2451435951%	0.2468446315%	0.2392690707%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 154,941,220	\$ 131,930,422	\$ 120,924,706
Total	\$ 154,941,220	\$ 131,930,422	\$ 120,924,706
District's covered-employee payroll	24,975,921	24,681,882	24,642,454
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 does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

Burlington Township School District
Notes to Required Supplementary Information
Pension Schedules
For the Fiscal Year Ended June 30, 2016

1. Teacher's Pension and Annuity Fund (TPAF)

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

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

2. Public Employees' Retirement System (PERS)

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

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) 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.

Other Supplementary Information

Special Revenue Fund
Detail Statements

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2016

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Totals
REVENUES:			
Local sources	\$ 1,000	\$ 7,529	\$ 8,529
State sources		15,314	15,314
Federal sources	1,269,141		1,269,141
Total Revenues	1,270,141	22,843	1,292,984
EXPENDITURES:			
Instruction:			
Salaries of teachers	257,496		257,496
Professional education services	20,450		20,450
Purchased professional and technical services	28,417		28,417
Tuition	883,377		883,377
Textbook		4,143	4,143
General supplies	40,867	3,749	44,616
Total instruction	1,230,607	7,892	1,238,499
Support services:			
Salaries	800		800
Personal services-employee benefits	30,803		30,803
Purchased professional and educational services		11,171	11,171
Purchased professional and technical services	1,586		1,586
Total support services	33,189	11,171	44,360
Facilities acquisition and const. serv.:			
Instructional equipment	6,345		6,345
Non-Instructional equipment		3,780	3,780
Total facilities acquisition and const. serv.	6,345	3,780	10,125
Total Expenditures	1,270,141	22,843	1,292,984
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2016

	E.S.E.A. as amended by No Child Left Behind (N.C.L.B.)			Individuals with Disabilities Act (IDEA)		Perkins Grant	Science Grant	Carried Forward (Exh. E-1A)
	Title I	Title IIA	Title III	Basic	Preschool			
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
State sources								
Federal sources	274,063	56,197	8,978	883,377	28,417	18,109		1,269,141
Total Revenues	274,063	56,197	8,978	883,377	28,417	18,109	1,000	1,270,141
EXPENDITURES:								
Instruction:								
Salaries of teachers	205,105	47,465	4,926					257,496
Purchased professional and technical services					28,417			28,417
Purchased professional services	19,500		950					20,450
Tuition				883,377				883,377
Textbooks								
General supplies	27,825		1,139			10,903	1,000	40,867
Total instruction	252,430	47,465	7,015	883,377	28,417	10,903	1,000	1,230,607
Support services:								
Salaries						800		800
Personal services-employee benefits	21,633	8,732	377			61		30,803
Purchased professional and educational services								
Purchased professional technical services			1,586					1,586
Total support services	21,633	8,732	1,963			861		33,189
Facilities acquisition and const. serv.:								
Instructional equipment						6,345		6,345
Non-instructional equipment								
Total facilities acquisition and const. serv.:						6,345		6,345
Total Expenditures	274,063	56,197	8,978	883,377	28,417	18,109	1,000	1,270,141
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2016

	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	Community Day Freshman First	Music Grant	Step Stools NJSBAIG	Totals
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 1,650	\$ 2,099	\$ 3,780	\$ 7,529
State sources	4,143	7,200	1,976	1,995				15,314
Federal sources								-
Total Revenues	4,143	7,200	1,976	1,995	1,650	2,099	3,780	22,843
EXPENDITURES:								
Instruction:								
Salaries of teachers								-
Professional education services								-
Purchased professional and technical services								-
Tuition								-
Textbooks	4,143							4,143
General supplies					1,650	2,099		3,749
Total instruction	4,143				1,650	2,099		7,892
Support services:								
Salaries								-
Personal services-employee benefits								-
Purchased professional and educational services		7,200	1,976	1,995				11,171
Purchased professional and technical services								-
Total support services		7,200	1,976	1,995				11,171
Facilities acquisition and const. serv.:								
Instructional equipment								-
Non-instructional equipment							3,780	3,780
Total facilities acquisition and const. serv.:							3,780	3,780
Total Expenditures	4,143	7,200	1,976	1,995	1,650	2,099	3,780	22,843
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Projects Fund
Detail Statements

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2016

Revenues and Other Financing Sources:	
SDA Grant	\$ (9,336)
Transfer from capital reserve	
Total revenues and other financing sources	<u>(9,336)</u>
Expenditures and Other Financing (Uses):	
Purchased professional services	251,541
Construction services	1,008,097
Transfer to Debt Service Fund	<u>13,870</u>
Total expenditures and other financing (uses)	<u>1,273,508</u>
Excess (deficiency) or revenues over (under) expenditures	(1,282,844)
Fund Balance - July 1, 2015	<u>1,296,126</u>
Fund Balance - June 30, 2016	<u>\$ 13,282</u>

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Aquisition of Land for the New Middle School
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant				
Transfer from capital outlay	\$ 510,000	\$ -	\$ 510,000	\$ 510,000
Bond proceeds	1,500,000		1,500,000	1,500,000
Total revenues	<u>2,010,000</u>	<u> </u>	<u>2,010,000</u>	<u>2,010,000</u>
Expenditures and Other Financing Uses:				
Purchased professional services	340,490		340,490	340,490
Purchase of land	1,657,393		1,657,393	1,657,393
Transfer to Debt Service Fund		<u>12,117</u>	<u>12,117</u>	<u>12,117</u>
	<u>1,997,883</u>	<u>12,117</u>	<u>2,010,000</u>	<u>2,010,000</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 12,117</u>	<u>\$ (12,117)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	12/10/03			
Bonds Authorized	\$ 1,500,000			
Bonds Issued	\$ 1,500,000			
Original Authorized Cost	\$ 1,500,000			
Additional Authorized Cost	\$ 510,000			
Revised Authorized Cost	\$ 2,010,000			
Percentage Increase over Original Authorized Cost	34.00%			
Percentage Completion	100.00%			
Original target completion date	12/31/04			
Revised target completion date	N/A			

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Fountain Woods - Security System
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ 176,855	\$ (7,729)	\$ 169,126	\$ 169,126
Transfer from capital reserve	223,550		223,550	223,550
Total revenues	<u>400,405</u>	<u>(7,729)</u>	<u>392,676</u>	<u>392,676</u>
Expenditures and Other Financing Uses:				
Purchased professional services	11,637		11,637	11,637
Construction services	381,039		381,039	381,039
Transfer to Debt Service Fund				0
	<u>392,676</u>	<u>-</u>	<u>392,676</u>	<u>392,676</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 7,729</u>	<u>\$ (7,729)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	#0620-010-09-OZFA			
Grant Date	06/09/10			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 400,405			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 400,405			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original target completion date	06/30/11			
Revised target completion date	N/A			

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
High School - ADA Access and Security Systems
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 43,996	\$ (1,607)	\$ 42,389	\$ 42,389
Transfer from capital reserve	55,612		55,612	55,612
Total revenues	<u>99,608</u>	<u>(1,607)</u>	<u>98,001</u>	<u>98,001</u>
Expenditures and Other Financing Uses:				
Purchased professional services	\$ 18,700		18,700	18,700
Construction services	77,548		77,548	77,548
Transfer to Debt Service Fund		1,753	1,753	1,753
	<u>96,248</u>	<u>1,753</u>	<u>98,001</u>	<u>98,001</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 3,360</u>	<u>\$ (3,360)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project Number	#0620-037-09-1102
Grant Date	06/09/10
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 99,608
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 99,608
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original target completion date	06/30/11
Revised target completion date	N/A

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
High School - Security System
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ 77,480	\$ -	\$ 77,480	\$ 77,480
Transfer from capital reserve	136,197		136,197	136,197
Total revenues	<u>213,677</u>		<u>213,677</u>	<u>213,677</u>
Expenditures and Other Financing Uses:				
Purchased professional services	36,694		36,694	36,694
Construction services	173,579		173,579	173,579
	<u>210,273</u>		<u>210,273</u>	<u>210,273</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 3,404</u>	<u>\$ -</u>	<u>\$ 3,404</u>	<u>\$ 3,404</u>
Additional project information:				
Project Number	#0620-010-09-1001			
Grant Date	10/13/10			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 168,002			
Additional Authorized Cost	\$ 45,675			
Revised Authorized Cost	\$ 213,677			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original target completion date	12/31/11			
Revised target completion date	12/31/14			

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Fountain Woods School - Security System
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ 85,513	\$ -	\$ 85,513	\$ 85,513
Transfer from capital reserve	99,907		99,907	99,907
Total revenues	<u>185,420</u>		<u>185,420</u>	<u>185,420</u>
Expenditures and Other Financing Uses:				
Purchased professional services	38,694		38,694	38,694
Construction services	146,726		146,726	146,726
	<u>185,420</u>		<u>185,420</u>	<u>185,420</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	#0620-010-09-1001			
Grant Date	10/13/10			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 185,420			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 185,420			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original target completion date	12/31/11			
Revised target completion date	N/A			

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
High School - Mechanical and Electrical Upgrades, Security System, Window Replacements
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ 809,471	\$ -	\$ 809,471	\$ 809,471
Transfer from capital reserve	1,795,591		1,795,591	1,795,591
Total revenues	<u>2,605,062</u>		<u>2,605,062</u>	<u>2,605,062</u>
Expenditures and Other Financing Uses:				
Purchased professional services	160,302	1,531	161,833	161,833
Construction services	2,308,681	112,480	2,421,161	2,421,161
	<u>2,468,983</u>	<u>114,011</u>	<u>2,582,994</u>	<u>2,582,994</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 136,079</u>	<u>\$ (114,011)</u>	<u>\$ 22,068</u>	<u>\$ 22,068</u>
Additional project information:				
Project Number	#0620-010-14-1001			
Grant Date	06/20/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,634,562			
Additional Authorized Cost	\$ 970,500			
Revised Authorized Cost	\$ 2,605,062			
Percentage Increase over Original Authorized Cost	5.00%			
Percentage Completion	0.00%			
Original target completion date	12/31/15			
Revised target completion date	N/A			

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Hopkins School - Mechanical Upgrades, Security Upgrades, Window Replacements, Communications
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ 246,036	\$ -	\$ 246,036	\$ 246,036
Transfer from capital reserve	250,784		250,784	250,784
Total revenues	<u>496,820</u>		<u>496,820</u>	<u>496,820</u>
Expenditures and Other Financing Uses:				
Purchased professional services	60,372	1,383	61,755	61,755
Construction services	\$ 240,788	6,202	246,990	246,990
	<u>301,160</u>	<u>7,585</u>	<u>308,745</u>	<u>308,745</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 195,660</u>	<u>\$ (7,585)</u>	<u>\$ 188,075</u>	<u>\$ 188,075</u>
Additional project information:				
Project Number	#0620-025-14-1002			
Grant Date	05/02/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 496,820			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 496,820			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	10.00%			
Original target completion date	12/31/15			
Revised target completion date	N/A			

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
BTMS @ Springside School - Security Upgrades and Communications
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ 97,064	\$ -	\$ 97,064	\$ 97,064
Transfer from capital reserve	98,936		98,936	98,936
Total revenues	<u>196,000</u>		<u>196,000</u>	<u>196,000</u>
Expenditures and Other Financing Uses:				
Purchased professional services	8,500	5,950	14,450	14,450
Construction services				
	<u>8,500</u>	<u>5,950</u>	<u>14,450</u>	<u>14,450</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 187,500</u>	<u>\$ (5,950)</u>	<u>\$ 181,550</u>	<u>\$ 181,550</u>

Additional project information:

Project Number	#0620-051-14-1005
Grant Date	05/02/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 196,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 196,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	5.00%
Original target completion date	12/31/15
Revised target completion date	N/A

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Fountain Woods School - Security Upgrades and Communications
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ 74,283	\$ -	\$ 74,283	\$ 74,283
Transfer from capital reserve	75,717		75,717	75,717
Total revenues	<u>150,000</u>		<u>150,000</u>	<u>150,000</u>
Expenditures and Other Financing Uses:				
Purchased professional services	6,750	4,725	11,475	11,475
Construction services				
	<u>6,750</u>	<u>4,725</u>	<u>11,475</u>	<u>11,475</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 143,250</u>	<u>\$ (4,725)</u>	<u>\$ 138,525</u>	<u>\$ 138,525</u>
Additional project information:				
Project Number	#0620-037-14-1004			
Grant Date	05/02/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 150,000			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 150,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	5.00%			
Original target completion date	12/31/15			
Revised target completion date	N/A			

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
B. Bernice Young School - Exterior Closure and HVAC
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ 1,104,619	\$ -	\$ 1,104,619	\$ 1,104,619
Transfer from capital reserve	1,125,934		1,125,934	1,125,934
Total revenues	<u>2,230,553</u>		<u>2,230,553</u>	<u>2,230,553</u>
Expenditures and Other Financing Uses:				
Purchased professional services	176,938	26,550	203,488	203,488
Construction services	1,446,588	452,918	1,899,506	1,899,506
	<u>1,623,526</u>	<u>479,468</u>	<u>2,102,994</u>	<u>2,102,994</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 607,027</u>	<u>\$ (479,468)</u>	<u>\$ 127,559</u>	<u>\$ 127,559</u>
Additional project information:				
Project Number	#0620-030-14-1003			
Grant Date	05/02/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 2,230,553			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 2,230,553			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	10.00%			
Original target completion date	12/31/15			
Revised target completion date	N/A			

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Various Improvements to School Facilities
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
Bond Proceeds	\$ -	\$ -	\$ -	\$ -
Total revenues	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Expenditures and Other Financing Uses:				
Purchased professional services		211,402	211,402	211,402
Construction services		436,497	436,497	436,497
	<u> </u>	<u>647,899</u>	<u>647,899</u>	<u>647,899</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (647,899)</u>	<u>\$ (647,899)</u>	<u>\$ (647,899)</u>

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	12/08/15
Bonds Authorized	\$ 10,114,000
Bonds Issued	N/A
Original Authorized Cost	\$ 10,114,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 10,114,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	10.00%
Original target completion date	12/31/15
Revised target completion date	N/A

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
 Summary Statement of Project Expenditures
 Year Ended June 30, 2016

Issue/Project Title	Original Date	Appropriations	Expenditures to Date		Transfer to Debt Service Fund	Unexpended Balance
			Prior Years	Current Year		
Acquisition of Land and to make Onsite and Offsite Improvements to such Land (1)	12/10/02	\$ 2,010,000	\$ 1,997,883	\$ -	\$ 12,117	\$ -
Fountain Woods School - Security System	12/21/05	400,405	392,676	(7,729)		
High School - ADA Access and Security System	06/09/10	99,608	96,248	(1,607)	1,753	
High School - Security System	10/13/10	213,677	181,207	29,066		3,404
High School - Mechanical and Electrical Upgrades Security System and Windows	6/20/14	2,605,062	2,468,983	114,011		22,068
Hopkins School - Mechanical Upgrades, Security Upgrades Windows and Communications	5/2/14	496,820	301,160	7,585		188,075
BTMS @ Springside School - Security Upgrades and Communications	5/2/14	196,000	8,500	5,950		181,550
Fountain Woods - Security Upgrades and Communications	5/2/14	150,000	6,750	4,725		138,525
Young School - Exterior Closure and HVAC	5/2/14	2,230,553	1,623,526	479,468		127,559
Various Improvements to School Facilities	12/8/15	10,114,000		647,899		9,466,101
Total		<u>\$ 18,516,125</u>	<u>\$ 7,076,933</u>	<u>\$ 1,279,368</u>	<u>\$ 13,870</u>	<u>\$ 10,127,282</u>

Proprietary Funds
Detail Statements

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
as of June 30, 2016

	Food Service	Performing Arts Center	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 132,316	\$ 103,097	\$ 235,413
Accounts receivable:			
State	699		699
Federal	27,293		27,293
Other	158,799	1,905	160,704
Interfund	64,497	3,129	67,626
Inventories	37,837		37,837
Total current assets	<u>421,441</u>	<u>108,131</u>	<u>529,572</u>
Fixed assets:			
Buildings and Improvements	376,275		376,275
Equipment	456,400		456,400
Total Fixed Assets	<u>832,675</u>		<u>832,675</u>
Less Accumulated depreciation	<u>(498,558)</u>		<u>(498,558)</u>
Total fixed assets	<u>334,117</u>		<u>334,117</u>
Total assets	<u>\$ 755,558</u>	<u>\$ 108,131</u>	<u>\$ 863,689</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ -	\$ 60	\$ 60
Unearned Revenue	27,946		27,946
Interfund payable	371,969		371,969
Total current liabilities	<u>399,915</u>	<u>60</u>	<u>399,975</u>
NET POSITION:			
Net investment in capital assets	334,117		334,117
Unrestricted	<u>21,526</u>	<u>108,071</u>	<u>129,597</u>
Total net position	<u>\$ 355,643</u>	<u>\$ 108,071</u>	<u>\$ 463,714</u>

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses and Changes in Net Position
for the Fiscal Years ended June 30, 2016

	Food Service	Performing Arts Center	Total
OPERATING REVENUES:			
Local sources:			
Daily sales-reimbursable programs	\$ 549,374	\$ 41,250	\$ 590,624
Total reimbursable programs	549,374	41,250	590,624
Daily sales-non-reimbursable programs	173,900		173,900
Special functions	251,707		251,707
Rentals			
Total non-reimbursable programs	425,607		425,607
Total operating revenue	974,981	41,250	1,016,231
OPERATING EXPENSES:			
Salaries and Benefits	816,160	32,714	848,874
Direct expenses	8,383		8,383
Repairs and maintenance	18,836		18,836
Supplies and materials	51,170	18,757	69,927
Depreciation	13,655		13,655
Management fee	26,007		26,007
Cost of Sales - reimbursable programs	419,019		419,019
Cost of Sales - nonreimbursable programs	324,620		324,620
Other	6,087	12,028	18,115
Total operating expenses	1,683,937	63,499	1,747,436
Operating income (loss)	(708,956)	(22,249)	(731,205)
Non-operating revenues:			
State sources:			
State School Lunch Program	14,969		14,969
Federal sources:			
National School Lunch Program	449,048		449,048
National School Breakfast Program	86,671		86,671
U.S.D.A. commodities	104,536		104,536
Interest revenue	579	328	907
Total non-operating revenues	655,803	328	656,131
Net Income (loss)	(53,153)	(21,921)	(75,074)
Net position - July 1	408,796	129,992	538,788
Net position - June 30	\$ 355,643	\$ 108,071	\$ 463,714

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
for the Fiscal Year ended June 30, 2016

	<u>Food Service</u>	<u>Performing Arts Center</u>	<u>Total</u>
Cash flows from operating activities:			
Cash receipts from customers	\$ 1,032,573	\$ 50,081	\$ 1,082,654
Cash payments to employees for services	(816,160)	(32,714)	(848,874)
Cash payments to suppliers for goods and services	<u>(795,456)</u>	<u>(30,972)</u>	<u>(826,428)</u>
Net cash used by operating activities	<u>(579,043)</u>	<u>(13,605)</u>	<u>(592,648)</u>
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements	<u>615,979</u>	<u> </u>	<u>615,979</u>
Net cash provided by noncapital financing activities	<u>615,979</u>	<u> </u>	<u>615,979</u>
Cash flows from capital financing activities:			
Purchases of fixed assets	<u> </u>	<u> </u>	<u> </u>
Net cash used by capital financing activities	<u> </u>	<u> </u>	<u> </u>
Cash flows from investing activities:			
Interest on investments	<u>579</u>	<u>328</u>	<u>907</u>
Net cash provided by investing activities	<u>579</u>	<u>328</u>	<u>907</u>
Net increase (decrease) in cash and cash equivalents	37,515	(13,277)	24,238
Cash and cash equivalents, July 1	<u>94,801</u>	<u>116,374</u>	<u>211,175</u>
Cash and cash equivalents, June 30	<u>\$ 132,316</u>	<u>\$ 103,097</u>	<u>\$ 235,413</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (708,956)	\$ (22,249)	\$ (731,205)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	13,655		13,655
Federal commodities	104,536		104,536
Change in assets and liabilities:			
(Increase)/decrease in inventory	1,100		1,100
(Increase)/decrease in accounts receivable	(11,057)	8,830	(2,227)
(Increase)/decrease in interfund receivable			
Increase/(decrease) in accounts payable	(6,267)	(186)	(6,453)
Increase/(decrease) in Unearned Revenue	27,946		27,946
Increase/(decrease) in interfund payable	<u> </u>	<u> </u>	<u> </u>
Net cash used by operating activities	<u>\$ (579,043)</u>	<u>\$ (13,605)</u>	<u>\$ (592,648)</u>

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Statement of Net Position
as of June 30, 2016

	<u>Governmental Activities - Internal Service Technology Service</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ -
Accounts receivable:	
Intergovernmental	<u>113,242</u>
Total current assets	<u>113,242</u>
Total assets	<u><u>\$ 113,242</u></u>
LIABILITIES:	
Current liabilities:	
Interfund payable	<u>113,242</u>
Total current liabilities	<u>113,242</u>
NET POSITION:	
Unrestricted	<u> </u>
Total net position	<u><u>\$ -</u></u>

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
 Statement of Revenues, Expenses and Changes in Net Position
 for the Fiscal Years ended June 30, 2016

	<u>Governmental Activities - Internal Service Technology Service</u>
OPERATING REVENUES:	
Local sources:	
Shared Service Agreements	\$ 833,398
Total operating revenue	<u>833,398</u>
OPERATING EXPENSES:	
Technology Services	<u>833,398</u>
Total operating expenses	<u>833,398</u>
Operating income (loss)	<u> </u>
Net Income (loss)	
Net position - July 1	<u> </u>
Net position - June 30	<u><u>\$ -</u></u>

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Statement of Cash Flows
for the Fiscal Year ended June 30, 2016

	<u>Governmental Activites - Internal Service Technology Service</u>
Cash flows from operating activities:	
Cash receipts from customers	\$ 833,398
Cash payments to suppliers for goods and services	<u>(833,398)</u>
Net cash used by operating activities	<u> </u>
Net increase (decrease) in cash and cash equivalents	
Cash and cash equivalents, July 1	<u> </u>
Cash and cash equivalents, June 30	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ -
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Change in assets and liabilities:	
(Increase)/decrease in accounts receivable	(74,224)
(Increase)/decrease in interfund receivable	
Increase/(decrease) in accounts payable	
Increase/(decrease) in interfund payable	<u>74,224</u>
Net cash used by operating activities	<u>\$ -</u>

Fiduciary Funds
Detail Statements

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2016

	Agency Funds			Employee Benefit Trust Funds	Total
	Student Activity	Other Trust	Payroll	Unemployment Compensation Insurance Fund	
ASSETS:					
Cash and cash equivalents	\$ 521,688	\$ -	\$ 347,124	\$ 618,465	\$ 1,487,277
Interfund receivable		56,989			56,989
TOTAL ASSETS	\$ 521,688	\$ 56,989	\$ 347,124	\$ 618,465	\$ 1,544,266
LIABILITIES					
LIABILITIES:					
Cash Overdraft	\$ -	\$ 16,906	\$ -	\$ -	\$ 16,906
Accounts payable				10,101	10,101
Payroll deductions and withholdings			342,698		342,698
Interfund payable			4,426		4,426
Other trust liabilities		40,083			40,083
Due to student groups	521,688				521,688
Total liabilities	521,688	56,989	347,124	10,101	935,902
NET POSITION					
Reserved for unemployment claims and other purposes				608,364	608,364
Total net position	\$ -	\$ -	\$ -	\$ 608,364	\$ 608,364

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
 Comparative Statement of Changes in Fiduciary Net Position
 for the Fiscal Year ended June 30, 2016

	Trust Funds Unemployment Compensation Insurance Fund	Total
REVENUES:		
Local sources:		
Employee contributions	\$ 47,795	\$ 47,795
Interest on Investments	1,798	1,798
Total Revenues	49,593	49,593
EXPENDITURES:		
Current Expense:		
Undistributed Expenditures:		
Unemployment claims	47,811	47,811
Total Expenditures	47,811	47,811
Excess (deficiency) of revenues over (under) expenditures)	1,782	1,782
Net Position July 1	606,582	606,582
Net Position June 30	\$ 608,364	\$ 608,364

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2016

	Balance June 30, 2015	Cash Receipts	Cash Disbursements	Balance June 30, 2016
Elementary Schools:				
Fountain Woods	\$ 47,957	\$ 29,122	\$ 24,946	\$ 52,133
Renaissance	5,302	32,288	27,734	9,856
Young School	13,530	16,210	20,072	9,668
Total Elementary Schools	<u>66,789</u>	<u>77,620</u>	<u>72,752</u>	<u>71,657</u>
Middle Schools:				
Hopkins Middle School	60,668	164,851	152,324	73,195
Total Middle Schools	<u>60,668</u>	<u>164,851</u>	<u>152,324</u>	<u>73,195</u>
High School:				
High School	366,531	669,690	659,385	376,836
Total High School	<u>366,531</u>	<u>669,690</u>	<u>659,385</u>	<u>376,836</u>
Total	<u>\$ 493,988</u>	<u>\$ 912,161</u>	<u>\$ 884,461</u>	<u>\$ 521,688</u>

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2016

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
ASSETS:				
Cash and cash equivalents	\$ 279,023	\$ 32,598,988	\$ 32,530,887	\$ 347,124
Total assets	<u>\$ 279,023</u>	<u>\$ 32,598,988</u>	<u>\$ 32,530,887</u>	<u>\$ 347,124</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 275,814	\$ 13,863,581	\$ 13,796,697	\$ 342,698
Net payroll		18,734,041	18,734,041	
Interfund payable	<u>3,209</u>	<u>1,366</u>	<u>149</u>	<u>4,426</u>
Total liabilities	<u>\$ 279,023</u>	<u>\$ 32,598,988</u>	<u>\$ 32,530,887</u>	<u>\$ 347,124</u>

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Other Trust Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2016

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
ASSETS:				
Cash and cash equivalents				
Interfund receivable	\$ 57,644	\$ 5,911	\$ 6,566	\$ 56,989
Total assets	<u>\$ 57,644</u>	<u>\$ 5,911</u>	<u>\$ 6,566</u>	<u>\$ 56,989</u>
LIABILITIES:				
Cash overdraft	14,635	2,271		16,906
Other trust agency liabilities	<u>43,009</u>	<u>3,640</u>	<u>6,566</u>	<u>40,083</u>
Total liabilities	<u>\$ 57,644</u>	<u>\$ 5,911</u>	<u>\$ 6,566</u>	<u>\$ 56,989</u>

Long-Term Debt Schedules

BURLINGTON TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Serial Bonds
June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2015	Issued	Retired	Balance June 30, 2016
			Date	Amount					
Refunding Bonds	4/1/2012	\$ 13,795,000	07/15/16	\$ 1,205,000	3.50%	\$ 13,625,000	\$ -	\$ 1,160,000	\$ 12,465,000
			07/15/17	1,245,000	4.50%				
			07/15/18	1,290,000	3.75%				
			07/15/19	1,335,000	5.00%				
			07/15/20	1,385,000	5.00%				
			07/15/21	1,430,000	4.00%				
			07/15/22	1,485,000	4.50%				
			07/15/23	1,540,000	4.50%				
			07/15/24	1,550,000	4.40%				
Refunding Bonds	10/3/2013	13,325,000	01/15/17	390,000	1.50%	10,930,000		2,365,000	8,565,000
			01/15/17	2,000,000	4.00%				
			01/15/18	420,000	2.00%				
			01/15/18	2,000,000	5.00%				
			01/15/19	205,000	2.00%				
			01/15/19	2,000,000	5.00%				
			01/15/20	1,550,000	5.00%				
Total						\$ 24,555,000	\$ -	\$ 3,525,000	\$ 21,030,000

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 3,306,596	\$ -	\$ 3,306,596	\$ 3,306,596	\$ -
Miscellaneous					
Total revenues - local sources	<u>3,306,596</u>		<u>3,306,596</u>	<u>3,306,596</u>	
State sources:					
Debt service aid type II	<u>1,022,220</u>		<u>1,022,220</u>	<u>1,022,220</u>	
Total revenues - state sources	<u>1,022,220</u>		<u>1,022,220</u>	<u>1,022,220</u>	
Total Revenues	<u>4,328,816</u>		<u>4,328,816</u>	<u>4,328,816</u>	
EXPENDITURES:					
Regular debt service:					
Interest on bonds	986,025		986,025	986,025	
Redemption of principal	3,525,000		3,525,000	3,525,000	
Expenses of refunding bonds					
Total Expenditures	<u>4,511,025</u>		<u>4,511,025</u>	<u>4,511,025</u>	
Excess (Deficiency) of revenues over (under) expenditures	(182,209)		(182,209)	(182,209)	
Other Financing Sources and (Uses):					
Transfer from Capital Projects				13,870	
Total Other Financing Sources				<u>13,870</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(182,209)		(182,209)	(168,339)	
Fund Balance, July 1	<u>182,209</u>		<u>182,209</u>	<u>182,209</u>	
Fund Balance, June 30	<u>\$ -</u>		<u>\$ -</u>	<u>13,870</u>	

Statistical Section

Burlington Township School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	\$ 16,925,859	\$ 22,517,472	\$ 25,976,649	\$ 20,705,914	\$ 22,876,427	\$ 26,690,199	\$ 28,803,444	\$ 31,090,573	\$ 36,972,907	\$ 40,367,864
Restricted for:										
Capital projects	6,952,014	3,160,892	2,660,697	2,523,398	3,063,652	2,232,176	2,966,623	5,683,186	3,004,047	2,026,604
Debt service	187,912	(247,917)	(801,361)	(839,652)	-	-	-	-	182,209	13,870
Other purposes	4,649,355	5,918,231	7,186,997	3,573,930	2,882,023	3,534,938	3,701,179	3,474,621	2,774,416	2,818,246
Unrestricted	139,240	23,426	(930,620)	(861,535)	(1,326,401)	(967,317)	(1,788,509)	(1,737,575)	(11,375,681)	(11,270,635)
Total governmental activities net position	\$ 28,854,380	\$ 31,372,104	\$ 34,092,362	\$ 25,102,055	\$ 27,495,701	\$ 31,489,996	\$ 33,682,737	\$ 38,510,805	\$ 31,557,898	\$ 33,955,949
Business-type activities:										
Net investment in capital assets	\$ 145,155	\$ 488,002	\$ 438,572	\$ 423,113	\$ 407,954	\$ 392,795	\$ 377,636	\$ 362,477	\$ 347,772	\$ 334,117
Unrestricted	476,316	196,722	192,518	215,713	198,898	167,290	164,406	214,916	191,016	129,597
Total business-type activities net position	\$ 621,471	\$ 684,724	\$ 631,090	\$ 638,826	\$ 606,852	\$ 560,085	\$ 542,042	\$ 577,393	\$ 538,788	\$ 463,714
District-wide:										
Net investment in capital assets	\$ 17,071,014	\$ 23,005,474	\$ 26,415,221	\$ 21,129,027	\$ 23,284,381	\$ 27,082,994	\$ 29,181,080	\$ 31,453,050	\$ 37,320,679	\$ 40,701,981
Restricted:										
Capital projects	6,952,014	3,160,892	2,660,697	2,523,398	3,063,652	2,232,176	2,966,623	5,683,186	3,004,047	2,026,604
Debt service	187,912	(247,917)	(801,361)	(839,652)	-	-	-	-	182,209	13,870
Other purposes	4,649,355	5,918,231	7,186,997	3,573,930	2,882,023	3,534,938	3,701,179	3,474,621	2,774,416	2,818,246
Unrestricted	615,556	220,148	(738,102)	(645,822)	(1,127,503)	(800,027)	(1,624,103)	(1,522,659)	(11,184,665)	(11,141,038)
Total district net position	\$ 29,475,851	\$ 32,056,828	\$ 34,723,452	\$ 25,740,881	\$ 28,102,553	\$ 32,050,081	\$ 34,224,779	\$ 39,088,198	\$ 32,096,686	\$ 34,419,663

Burlington Township School District
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

Exhibit J-2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 16,719,895	\$ 17,591,711	\$ 18,863,496	\$ 19,998,369	\$ 17,473,133	\$ 17,648,544	\$ 18,587,884	\$ 18,548,395	\$ 19,079,235	\$ 19,510,826
Special education	4,885,732	5,391,006	6,042,930	6,496,898	6,928,846	7,390,064	7,859,851	6,365,974	6,556,937	6,586,368
Other instruction	1,203,920	1,286,152	1,619,940	1,809,304	1,736,065	1,819,083	1,956,105	2,067,717	2,044,938	2,096,426
Support Services:										
Tuition	2,174,982	2,023,950	1,797,027	2,236,280	2,548,267	2,939,828	2,296,865	2,228,530	2,133,509	2,492,883
Student & instruction related services	4,438,732	4,874,624	5,282,806	5,727,629	5,465,268	5,371,027	5,994,396	7,795,640	8,006,836	8,074,909
School administrative services	1,908,900	1,984,343	2,155,806	2,260,879	2,099,864	2,065,641	2,170,709	2,264,061	2,008,566	1,998,980
General and business administrative services	1,162,081	1,260,007	1,354,085	1,476,548	1,383,470	1,559,917	1,715,221	1,806,085	2,739,238	3,231,349
Plant operations and maintenance	3,081,060	4,973,358	4,083,205	11,087,692	5,250,208	4,682,876	5,494,750	6,632,987	6,770,069	6,280,321
Pupil transportation	2,387,026	2,520,410	2,623,668	2,713,136	2,566,828	2,611,623	2,662,537	2,726,822	2,847,978	2,853,287
Unallocated employee benefits	10,266,474	11,313,384	10,412,728	11,905,328	11,919,086	12,904,618	14,741,082	14,460,219	14,637,894	15,249,854
Special schools	143,343	92,057	213,353	-	-	-	-	-	-	-
Charter schools	-	-	-	72,937	120,663	124,018	52,122	37,196	9,035	18,393
Interest on long-term debt	2,271,940	2,143,243	2,041,060	1,898,026	1,759,084	1,443,649	1,523,662	908,696	870,560	745,475
Unallocated depreciation and amortization	175,214	161,476	161,978	188,552	132,853	143,678	114,186	214,399	76,577	130,504
Total governmental activities expenses	50,819,299	55,615,721	56,652,082	67,671,578	59,383,635	60,704,566	65,169,370	66,056,721	67,781,372	69,269,575
Business-type activities:										
Community Arts Center	26,873	19,309	46,847	31,846	27,648	43,668	47,437	52,367	65,689	63,499
Food Service	1,169,818	1,382,454	1,383,332	1,406,827	1,581,505	1,729,954	1,657,407	1,671,370	1,628,871	1,683,937
Total business-type activities expense	1,196,691	1,401,763	1,430,179	1,438,673	1,609,153	1,773,622	1,704,844	1,723,737	1,694,560	1,747,436
Total district expenses	\$ 52,015,990	\$ 57,017,484	\$ 58,082,261	\$ 69,310,251	\$ 60,992,788	\$ 62,478,188	\$ 66,874,214	\$ 67,780,458	\$ 69,475,932	\$ 71,017,011
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 6,507,066	\$ 6,917,517	\$ 5,588,518	\$ 6,434,197	\$ 6,624,272	\$ 6,410,954	\$ 7,675,389	\$ 7,057,093	\$ 6,518,042	\$ 7,394,673
Charges for service	-	-	-	-	-	-	-	-	653,043	833,398
Total governmental activities program revenues	6,507,066	6,917,517	5,588,518	6,434,197	6,624,272	6,410,954	7,675,389	7,057,093	7,171,085	8,228,071

(Continued)

Burlington Township School District
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

Exhibit J-2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
Performing Arts Center	\$ 27,804	\$ 31,008	\$ 44,027	\$ 36,706	\$ 49,346	\$ 30,420	\$ 46,510	\$ 40,710	\$ 60,835	\$ 41,250
Food service	985,625	993,391	955,229	1,007,202	1,085,543	1,151,603	1,072,889	1,155,350	999,327	974,981
Operating grants and contributions	296,516	333,050	376,368	399,517	438,090	542,082	566,926	562,674	595,051	655,224
Total business type activities program revenues	1,309,945	1,357,449	1,375,624	1,443,425	1,572,979	1,724,105	1,686,325	1,758,734	1,655,213	1,671,455
Total district program revenues	\$ 7,817,011	\$ 8,274,966	\$ 6,964,142	\$ 7,877,622	\$ 8,197,251	\$ 8,135,059	\$ 9,361,714	\$ 8,815,827	\$ 8,826,298	\$ 9,899,526
Net (Expense)/Revenue:										
Governmental activities	\$ (44,312,233)	\$ (48,698,204)	\$ (51,063,564)	\$ (61,437,381)	\$ (52,759,363)	\$ (54,293,612)	\$ (57,493,981)	\$ (58,999,628)	\$ (60,610,287)	\$ (61,041,504)
Business-type activities	113,254	(44,314)	(54,555)	4,752	(36,174)	(49,517)	(18,519)	34,997	(39,347)	(75,981)
Total district-wide net expense	\$ (44,198,979)	\$ (48,742,518)	\$ (51,118,119)	\$ (61,432,629)	\$ (52,795,537)	\$ (54,343,129)	\$ (57,512,500)	\$ (58,964,631)	\$ (60,649,634)	\$ (61,117,485)
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 27,848,255	\$ 27,507,030	\$ 32,233,166	\$ 32,249,821	\$ 33,393,814	\$ 34,745,745	\$ 35,829,683	\$ 37,196,328	\$ 38,033,254	\$ 38,793,919
Taxes levied for debt service	3,150,626	2,916,758	2,994,462	3,625,196	3,903,689	3,873,418	3,897,792	3,800,813	3,539,220	3,306,596
Unrestricted grants and contributions	14,751,753	19,402,329	17,595,704	15,762,374	17,467,163	19,149,798	19,476,178	21,617,556	20,482,740	20,421,926
State aid restricted for debt service	-	-	-	-	-	-	-	-	-	-
Investment earnings	591,025	102,416	55,722	38,312	53,167	35,967	2,248	2,654	890	2,784
Miscellaneous income	343,991	1,267,395	904,768	771,371	335,176	482,979	849,601	1,210,545	669,211	914,330
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	46,685,650	51,215,928	53,783,822	52,447,074	55,153,009	58,287,907	60,055,502	63,827,696	62,725,315	63,439,555
Business-type activities:										
Investment earnings	-	4,053	921	2,984	4,200	2,750	476	354	742	907
Miscellaneous income	3,527	103,514	-	-	-	-	-	-	-	-
Total business-type activities	3,527	107,567	921	2,984	4,200	2,750	476	354	742	907
Total district-wide	\$ 46,689,177	\$ 51,323,495	\$ 53,784,743	\$ 52,450,058	\$ 55,157,209	\$ 58,290,657	\$ 60,055,978	\$ 63,828,050	\$ 62,726,057	\$ 63,440,462
Change in Net Position:										
Governmental activities	\$ 2,373,417	\$ 2,517,724	\$ 2,720,258	\$ (8,990,307)	\$ 2,393,646	\$ 3,994,295	\$ 2,561,521	\$ 4,828,068	\$ 2,115,028	\$ 2,398,051
Business-type activities	116,781	63,253	(53,634)	7,736	(31,974)	(46,767)	(18,043)	35,351	(38,605)	(75,074)
Total district-wide	\$ 2,490,198	\$ 2,580,977	\$ 2,666,624	\$ (8,982,571)	\$ 2,361,672	\$ 3,947,528	\$ 2,543,478	\$ 4,863,419	\$ 2,076,423	\$ 2,322,977

Burlington Township School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved for:										
Encumbrances	\$ 382,183	\$ 38,610	\$ 26,107	\$ 221,326	\$ 161,820	\$ 48,437	\$ 151,380	\$ -	\$ 25,001	\$ 191,126
Capital reserve	2,430	902,466	1,937,273	1,667,959	1,627,549	2,035,340	2,924,446	1,300,156	1,707,921	2,016,726
Maintenance reserve			100,000	-	200,000	546,000	946,000	946,000	946,000	946,000
Excess surplus	2,315,891	3,532,849	3,450,510	-	320,203	257,917	205,428	-	-	-
Excess surplus - designated for subsequent year's expenditures	1,924,398	2,315,891	3,532,849	3,352,604	-	322,773	257,917	205,428	-	-
Legally restricted										
ARRA/SEMI- Unreserved - designated for subsequent year's expenditures									21,368	-
Unreserved - designated for subsequent year's expenditures	32,683	36,681	77,531	-	2,200,000	2,351,131	2,085,947	2,095,157	1,782,047	1,677,716
Unreserved	356,554	395,768	(281,583)	(300,778)	273,238	306,897	(44,754)	(300,651)	(481,977)	(429,709)
Total general fund	\$ 5,014,139	\$ 7,222,265	\$ 8,842,687	\$ 4,941,111	\$ 4,782,810	\$ 5,868,495	\$ 6,526,364	\$ 4,246,090	\$ 4,000,360	\$ 4,401,859
All Other Governmental Funds										
Reserved:										
Encumbrances	\$ 4,960,858	\$ 1,630,965	\$ 249,755	\$ -	\$ 918,630	\$ 149,493	\$ 18,971	\$ 2,373,716	\$ 463,005	\$ 3,404
Unreserved, reported in:										
Special revenue fund	(5,800)	(5,800)	-	-	-	-	-	-	-	-
Capital projects fund	1,988,726	627,461	473,669	855,439	517,473	47,343	23,206	2,009,314	833,121	9,878
Debt service fund	1,203,203	708,666	107,168	4,752	-	8,680	54,507	228,036	182,209	13,870
Total all other governmental funds	\$ 8,146,987	\$ 2,961,292	\$ 830,592	\$ 860,191	\$ 1,436,103	\$ 205,516	\$ 96,684	\$ 4,611,066	\$ 1,478,335	\$ 27,152

Burlington Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-4

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	\$ 30,998,881	\$ 34,641,833	\$ 35,227,628	\$ 35,875,017	\$ 37,297,503	\$ 38,619,163	\$ 39,727,475	\$ 40,996,941	\$ 41,572,474	\$ 42,100,515
Tuition charges	109,529	80,806	534,292	516,165	192,341	244,212	403,855	551,663	338,678	492,487
Transportation charges	18,728	18,208	65,843	97,481	52,842	11,255	56,806	31,509	56,438	27,988
Interest earnings	591,025	325,459	55,722	38,312	53,167	35,967	2,248	2,654	890	2,784
Miscellaneous	225,677	965,338	307,816	161,366	112,066	290,874	455,082	682,342	293,340	402,384
State sources	20,124,662	20,938,975	22,063,488	17,878,623	22,535,771	23,547,311	25,766,255	27,337,752	25,634,781	26,450,811
Federal sources	1,124,214	1,162,826	1,117,551	4,314,307	1,533,591	1,950,079	1,319,170	1,281,928	1,346,756	1,357,259
Total revenue	53,192,716	58,133,445	59,372,340	58,881,271	61,777,281	64,698,861	67,730,891	70,884,789	69,243,357	70,834,228
Expenditures										
Instruction										
Regular Instruction	15,744,985	16,633,664	17,731,137	17,968,505	15,879,162	16,156,784	16,891,831	16,803,273	16,890,650	17,543,878
Special education instruction	4,885,732	5,391,006	6,042,930	6,496,898	6,928,846	7,390,064	7,859,851	6,365,974	6,556,937	6,586,368
Other special instruction	1,203,920	1,286,152	1,619,940	1,809,304	1,736,065	1,819,083	1,956,105	2,067,717	2,044,938	2,096,426
Other instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	2,174,982	2,023,950	1,797,027	2,236,280	2,548,267	2,939,828	2,296,865	2,228,530	2,133,509	2,492,883
Student & instruction related services	4,438,732	4,874,624	5,282,806	5,727,629	5,465,268	5,371,027	5,994,396	7,795,640	8,006,836	8,074,909
School administrative services	1,784,056	1,863,023	1,964,998	1,953,319	1,903,703	1,849,768	1,942,336	2,024,011	2,008,566	1,998,980
General and business admin. services	1,162,081	1,260,007	1,354,085	1,476,548	1,383,470	1,559,917	1,715,221	1,806,085	1,840,134	2,136,944
Plant operations and maintenance	3,247,299	4,090,850	4,130,816	4,449,035	4,818,319	4,672,305	5,003,333	5,485,395	5,650,857	5,679,619
Pupil transportation	2,387,026	2,520,410	2,623,668	2,713,136	2,566,828	2,611,623	2,662,537	2,726,822	2,847,978	2,853,287
Other support services	10,266,474	11,313,384	10,412,728	11,905,328	11,919,086	12,904,618	14,741,082	14,460,219	14,668,754	15,404,545
Special Schools	143,343	92,057	213,353	-	-	-	-	-	-	-
Charter School	-	-	-	72,937	120,663	124,018	52,122	37,196	9,035	18,393
Capital outlay	11,748,822	4,829,936	1,981,977	742,178	949,767	2,354,764	985,719	2,019,066	5,405,499	2,486,655
Debt service:										
Principal	2,695,000	2,730,000	2,890,000	3,240,000	3,320,000	3,400,000	3,755,000	3,680,000	3,485,000	3,525,000
Interest and other charges	2,323,189	2,201,951	2,089,114	1,962,151	1,820,226	1,828,983	1,325,456	1,287,496	1,073,125	986,025
Total expenditures	64,205,641	61,111,014	60,134,579	62,753,248	61,359,670	64,982,782	67,181,854	68,787,424	72,621,818	71,883,912
Excess (Deficiency) of revenues over (under) expenditures	(11,012,925)	(2,977,569)	(762,239)	(3,871,977)	417,611	(283,921)	549,037	2,097,365	(3,378,461)	(1,049,684)
Other Financing sources (uses)										
Proceeds from borrowing	-	-	251,960	-	-	144,306	-	14,540,387	-	-
Accounts receivable cancelled	(16,723)	-	-	-	-	(5,287)	-	(14,403,644)	-	-
Transfers in	871,916	102,416	57,477	279,162	551,171	208,680	-	2,422,137	970,500	13,870
Transfers out	(871,916)	(102,416)	(57,477)	(279,162)	(551,171)	(208,680)	-	(2,422,137)	(970,500)	(13,870)
Total other financing sources (uses)	(16,723)	-	251,960	-	-	139,019	-	136,743	-	-
Net change in fund balances	\$ (11,029,648)	\$ (2,977,569)	\$ (510,279)	\$ (3,871,977)	\$ 417,611	\$ (144,902)	\$ 549,037	\$ 2,234,108	\$ (3,378,461)	\$ (1,049,684)
Debt service as a percentage of noncapital expenditures	9.57%	8.76%	8.56%	8.39%	8.51%	8.35%	7.67%	7.44%	6.78%	6.50%

Source: District records

Burlington Township School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-5

<u>Fiscal Year Ending June 30.</u>	<u>Interest on Investments</u>	<u>Transportation</u>	<u>Tuition</u>	<u>Refunds</u>	<u>Rentals</u>	<u>Shared Services</u>	<u>Donations</u>	<u>Preschool Program Fees</u>	<u>Miscellaneous</u>	<u>Total</u>
2007	\$ 229,109	\$ 18,728	\$ 109,529	\$ 150,707	\$ 6,000	\$ -	\$ -	\$ -	\$ 5,127	\$ 519,200
2008	223,043	18,208	80,806	926,080	7,800				31,458	1,287,395
2009	50,970	65,843	534,292	294,903	7,200				2,530	955,738
2010	28,464	97,481	516,165	84,786	7,000			63,487	2,452	799,835
2011	42,406	52,842	192,341	15,398	53,774			18,000	2,821	377,582
2012	28,177	244,212	11,255	99,785	83,084		13,300	25,400	5,943	511,156
2013	8,101	56,806	403,855	31,459	70,269			20,300	261,059	851,849
2014	6,337	31,509	551,663	59,812	125,674	384,833		20,800	29,917	1,210,545
2015	20,896	56,438	338,678	63,624	105,560	25,416		21,435	38,054	670,101
2016	20,848	27,988	492,487	91,573	64,730	37,219	800	37,000	144,469	917,114
	<u>\$ 658,351</u>	<u>\$ 670,055</u>	<u>\$ 3,231,071</u>	<u>\$ 1,818,127</u>	<u>\$ 531,091</u>	<u>\$ 447,468</u>	<u>\$ 14,100</u>	<u>\$ 206,422</u>	<u>\$ 523,830</u>	<u>\$ 8,100,515</u>

119

Source: District records

**Burlington Township School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years**

Exhibit J-6

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Public Utilities</u> <u>a</u>	<u>Net Valuation Taxable</u>	<u>Tax-Exempt Property</u>	<u>Total Direct School Tax Rate</u> <u>b</u>	<u>Estimated Actual (County Equalized) Value</u>
2007	\$ 67,750,650	\$1,660,867,238	\$ 5,185,000	\$ 1,781,250	\$ 386,969,200	\$ 190,490,200	\$ 55,990,000	\$2,369,033,538	\$ 3,965,685	\$2,372,999,223	\$ 202,453,350	1.460	\$ 2,716,891,365
2008	63,418,950	1,676,485,258	4,835,000	1,762,250	383,155,900	198,590,200	55,090,000	2,383,337,558	3,945,609	2,387,283,167	238,151,750	1.475	2,959,089,855
2009	60,892,900	1,682,202,658	4,835,000	824,400	354,987,100	231,471,100	55,090,000	2,390,303,158	4,411,793	2,394,714,951	241,617,150	1.498	2,859,956,299
2010	58,070,100	1,686,539,858	5,221,800	893,100	345,873,600	231,680,600	55,090,000	2,383,369,058	4,890,705	2,388,259,763	248,407,150	1.561	2,741,357,925
2011	62,090,000	1,686,245,058	2,119,300	893,100	345,198,250	223,132,600	55,090,000	2,374,768,308	4,396,827	2,379,165,135	252,726,950	1.624	2,666,755,461
2012	63,813,100	1,539,973,957	2,119,300	868,700	342,544,250	219,982,600	55,090,000	2,224,391,907	4,662,239	2,229,054,146	248,770,450	1.782	2,324,940,541
2013	67,610,200	1,527,747,957	2,021,300	874,900	339,142,450	228,582,600	54,290,000	2,220,269,407	3,498,570	2,223,767,977	252,810,450	1.844	2,260,097,655
2014	61,935,100	1,530,989,757	1,599,800	888,400	333,579,550	224,082,200	54,065,000	2,207,139,807	2,575,429	2,209,715,236	252,409,450	1.881	2,241,817,759
2015	58,134,200	1,537,823,757	1,599,800	857,400	297,699,900	239,808,300	54,065,000	2,189,988,357	2,566,194	2,192,554,551	254,308,450	1.920	2,293,204,680
2016	56,600,700	1,559,843,767	1,591,800	785,000	300,559,900	240,522,900	54,065,000	2,213,969,067	2,238,278	2,212,207,335	256,672,750	1.946	2,521,626,938

Source: Municipal Tax Assessor

Note:

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100.

**Burlington Township School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**
(rate per \$100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	Burlington School District Direct Rate			Overlapping Rates			Fire District	Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Township of Burlington	Burlington County			
2007	\$ 1.337	\$ 0.123	\$ 1.460	\$ 0.289	\$ 0.481	\$ 0.062	\$ 2.292	
2008	1.350	0.125	1.475	0.334	0.480	0.065	2.354	
2009	1.347	0.151	1.498	0.351	0.454	0.067	2.370	
2010	1.398	0.163	1.561	0.382	0.435	0.069	2.447	
2011	1.461	0.163	1.624	0.410	0.422	0.070	2.526	
2012	1.607	0.175	1.782	0.453	0.392	0.077	2.704	
2013	1.673	0.171	1.844	0.483	0.381	0.078	2.786	
2014	1.721	0.160	1.881	0.496	0.384	0.079	2.840	
2015	1.769	0.151	1.920	0.514	0.431	0.083	2.948	
2016	1.797	0.149	1.946	0.513	0.456	0.085	3.000	

Source: Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

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

**Burlington Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Exhibit J-8

Taxpayer	2016		Taxpayer	2007	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Bustleton Investors, LLC	\$ 74,189,200	3.35%	Whitesell, Inc.	\$ 78,446,000	3.31%
1900 River Road, LLC	40,300,000	1.82%	NGP Capital Partners	40,000,000	1.69%
Midmall Resources LP	32,000,500	1.45%	Midmall Resources	26,000,000	1.10%
Cole BJ Burlington NJ LLC	28,000,000	1.27%	Burlington Coat Factory	24,600,000	1.04%
Burlington Coat Factory Warehouse	25,205,000	1.14%	Burlington Center	20,500,000	0.86%
Geriatric Med	18,892,000	0.85%	Sunset Associates	18,500,000	0.78%
130 Holdings LLC	18,028,000	0.81%	130 Holdings, LLC	18,330,000	0.77%
Sunset Associates	17,200,000	0.78%	JS Hovanian	13,400,000	0.56%
Towne Crossing	13,400,000	0.61%	Northgate Village Realty	13,270,000	0.56%
Northgate Village Apartments	13,270,000	0.60%	Willow Point Apts.	11,010,000	0.46%
Total	\$ 280,484,700	12.68%		\$ 264,056,000	11.13%

Source: Municipal Tax Assessor

**Burlington Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 30,998,881	\$ 30,998,881	100.00%	-
2008	34,641,833	34,641,833	100.00%	-
2009	35,227,628	35,227,628	100.00%	-
2010	35,875,017	35,875,017	100.00%	-
2011	37,297,503	37,297,503	100.00%	-
2012	38,619,163	38,619,163	100.00%	-
2013	39,727,475	39,727,475	100.00%	-
2014	40,996,941	40,996,941	100.00%	-
2015	41,572,474	41,572,474	100.00%	-
2016	42,100,515	42,100,515	100.00%	-

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

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

Burlington Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^b
	General Obligation Bonds	Unfunded Pension Liability	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2007	\$ 51,983,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,983,000	5.28%	\$ 2,438
2008	49,253,000		505,000				49,758,000	4.88%	2,336
2009	46,363,000		255,000				46,618,000	4.59%	2,185
2010	43,123,000		340,852				43,463,852	4.00%	1,921
2011	39,803,000		249,001				40,052,001	3.55%	1,772
2012	36,230,000		152,717				36,382,717	3.13%	1,610
2013	32,475,000		51,772				32,526,772	2.78%	1,438
2014	28,040,000		-				28,040,000	2.30%	1,238
2015	24,555,000		-				24,555,000	c	1,076
2016	21,030,000		-				21,030,000	c	c

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

- a Based on Per Capita Income for Burlington County
- b Based on School District Population as of July 1,
- c Not available

Burlington Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 51,983,000	\$ -	\$ 51,983,000	2.19%	\$ 2,438
2008	49,253,000		49,253,000	2.06%	2,312
2009	46,363,000		46,363,000	1.94%	2,174
2010	43,123,000		43,123,000	1.81%	1,906
2011	39,803,000		39,803,000	1.67%	1,760
2012	36,230,000		36,230,000	1.63%	1,603
2013	32,475,000		32,475,000	1.46%	1,436
2014	28,040,000		28,040,000	1.27%	1,238
2015	24,555,000		24,555,000	1.12%	1,076
2016	21,030,000		21,030,000	0.95%	c

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

a See Exhibit J-6 for property tax data.

b Population data can be found in Exhibit J-14.

c Not available

**Burlington Township School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2015**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Burlington	\$ 14,887,254	100.000%	\$ 14,887,254
Burlington County General Obligation Debt	282,131,755	5.010%	14,134,801
			29,022,055
Burlington Township School District Direct Debt			23,395,000
Total direct and overlapping debt			\$ 52,417,055

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.

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

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Burlington Township School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years
 (dollars in thousands)

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2016

	Equalized valuation basis	
	2013	2,239,981,242
	2014	2,296,233,674
	2015	2,478,764,411
	[A]	<u>\$ 7,014,979,327</u>
Average equalized valuation of taxable property	[A/3]	\$ 2,338,326,442
Debt limit (4% of average equalized valuation)	[B]	93,533,058 ^a
Net bonded school debt	[C]	24,555,000
Legal debt margin	[B-C]	<u>\$ 68,978,058</u>

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 94,504,169	\$ 106,981,689	\$ 112,475,672	\$ 113,023,058	\$ 109,495,779	\$ 104,584,802	\$ 98,190,690	\$ 92,645,635	\$ 90,450,087	\$ 93,533,058
Total net debt applicable to limit	<u>51,983,000</u>	<u>49,253,000</u>	<u>46,363,000</u>	<u>43,123,000</u>	<u>39,803,000</u>	<u>36,230,000</u>	<u>32,475,000</u>	<u>28,040,000</u>	<u>24,555,000</u>	<u>24,555,000</u>
Legal debt margin	<u>\$ 42,521,169</u>	<u>\$ 57,728,689</u>	<u>\$ 66,112,672</u>	<u>\$ 69,900,058</u>	<u>\$ 69,692,779</u>	<u>\$ 68,354,802</u>	<u>\$ 65,715,690</u>	<u>\$ 64,605,635</u>	<u>\$ 65,895,087</u>	<u>\$ 68,978,058</u>
Total net debt applicable to the limit as a percentage of debt limit	55.01%	46.04%	41.22%	38.15%	36.35%	34.64%	33.07%	30.27%	27.15%	26.25%

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

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

**Burlington Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2007	21,325	\$ 984,959,100	\$ 46,188	4.2%
2008	21,305	1,018,719,880	47,816	5.1%
2009	21,331	1,016,400,819	47,649	8.9%
2010	22,622	1,086,919,234	48,047	9.4%
2011	22,609	1,129,432,595	49,955	8.5%
2012	22,596	1,161,208,440	51,390	9.5%
2013	22,617	1,171,221,345	51,785	9.5%
2014	22,652	1,217,477,044	53,747	6.2%
2015	22,826	e	e	5.2%
2016	e	e	e	e

Source:

- a Population information provided by the NJ Dept of Labor and Workforce Development.
- b Personal income for Burlington County.
- c Per Capita for Burlington County.
- d Unemployment data provided by the NJ Dept of Labor and Workforce Development.
- e Not available.

**Burlington Township School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

Exhibit J-16

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	251	268	268	269	270	237	237	236	239	236
Special education	52	67	71	73	72	122	127	115	110	111
Other special education										
Vocational	-									
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	78	88	78	81	81	86	97	97	79	75
School administrative services	37	42	37	40	38	33	27	27	27	27
General and business administrative services	3	2	3	3	3	3	3	3	3	3
Plant operations and maintenance	4	5	5	5	5	5	5	5	5	5
Pupil transportation	11	10	12	12	10	11	11	11	11	11
Business and other support services	11	11	10	10	11	8	8	8	7	6
Special Schools										
Food Service										
Child Care										
Total	447	493	484	493	490	505	515	502	481	474

Source: District Personnel Records

Burlington Township School District
 Operating Statistics,
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2007	4,199	\$ 47,438,630	\$ 11,298	4.38%	303	18:1	13:1	13:1	4,182	3,998	1.03%	95.60%
2008	4,164	51,349,127	12,332	9.15%	335	18:1	13:1	13:1	4,179	3,986	-0.71%	95.38%
2009	4,160	53,173,488	12,782	3.65%	339	18:1	13:1	13:1	4,169	3,970	-2.39%	95.23%
2010	4,190	56,808,919	13,558	6.07%	342	18:1	13:1	13:1	4,055	3,867	-2.73%	95.36%
2011	4,097	55,269,677	13,490	-0.50%	342	18:1	13:1	13:1	4,104	3,926	1.21%	95.66%
2012	4,095	57,399,035	14,017	3.91%	359	18:1	13:1	13:1	4,061	3,886	-1.05%	95.69%
2013	4,027	61,115,679	15,176	3.91%	364	18:1	13:1	13:1	4,021	3,835	-0.98%	95.37%
2014	4,032	61,800,862	15,328	1.00%	351	18:1	13:1	13:1	4,043	3,857	0.54%	95.40%
2015	3,985	62,658,194	15,724	2.58%	349	18:1	13:1	13:1	3,994	3,804	-1.21%	95.26%
2016	3,930	64,886,232	16,510	5.01%	347	18:1	13:1	13:1	3,931	3,768	-1.58%	95.85%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Burlington Township School District
School Building Information
Last Ten Fiscal Years**

Exhibit J-18

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
District Building										
Elementary										
Bernice Young Elementary (1962)										
Square Feet	108,071	108,071	108,071	108,071	108,071	108,071	108,071	108,071	108,071	108,071
Capacity (students)	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280
Enrollment	1,088	1,088	1,035	951	871	892	886	910	896	845
Springside Elementary (1915)										
Square Feet	22,475	22,475								
Capacity (students)	238	238								
Enrollment	156	156								
Fountain Woods Elementary (1999)										
Square Feet	120,648	120,648	120,648	120,648	120,648	120,648	120,648	120,648	120,648	120,648
Capacity (students)	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278
Enrollment	1,184	1,184	956	847	944	884	900	868	881	887
Thomas O. Hopkins Middle (1970)										
Square Feet	80,116	80,116	80,116	80,116	80,116	80,116	80,116	80,116	80,116	80,116
Capacity (students)	597	597	597	597	597	597	597	597	597	597
Enrollment	640	640	311	335	334	322	315	328	323	280
Burlington Township Middle School (2008)										
Square Feet		181,700	181,700	181,700	181,700	181,700	181,700	181,700	181,700	181,700
Capacity (students)		1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058
Enrollment			1,029	1,011	1,028	1,003	951	979	912	949
Burlington High School (1964)										
Square Feet	169,125	169,125	169,125	169,125	169,125	169,125	169,125	169,125	169,125	169,125
Capacity (students)	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003
Enrollment	1,042	1,042	829	910	927	960	975	958	982	971
Other										
New Middle School (2007)										
Square Feet										
Capacity (students)										

Number of Schools at June 30, 2016
 Elementary = 3
 Middle School = 1
 Senior High School = 1

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

**Burlington Township School District
Schedule of Required Maintenance
Last Ten Fiscal Years**

Exhibit J-19

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
* School Facilities											
Fountain Woods School	\$ 100,891	\$ 96,837	\$ 112,218	\$ 102,135	\$ 130,517	\$ 150,124	\$ 156,914	\$ 167,604	\$ 180,250	\$ 184,774	\$ 1,382,264
Springside School	31,789	18,010									49,799
Young School	70,837	86,709	104,585	103,542	108,764	125,103	130,762	139,670	150,209	153,978	1,174,159
Hopkins School	70,169	64,321	83,149	79,436	87,012	100,082	104,609	111,736	120,167	123,183	943,864
Middle School		145,830	160,369	147,527	195,776	225,185	235,371	251,406	270,375	277,160	1,908,999
High School	142,324	135,704	146,653	151,183	203,027	233,526	244,088	260,717	280,389	287,426	2,085,037
Total School Facilities	<u>\$ 416,011</u>	<u>\$ 547,411</u>	<u>\$ 606,974</u>	<u>\$ 583,823</u>	<u>\$ 725,096</u>	<u>\$ 834,020</u>	<u>\$ 871,744</u>	<u>\$ 931,133</u>	<u>\$ 1,001,390</u>	<u>\$ 1,026,521</u>	<u>\$ 7,544,123</u>

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

**Burlington Township School District
Insurance Schedule
June 30, 2016**

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Building and Contents (All Locations)	\$ 134,840,706	\$ 1,000
Crime Coverage:		
Employee Theft	100,000	500
Computer and Funds Transfer Fraud	100,000	
Commercial General Liability	1,000,000/3,000,000	
Abuse or Molesation Liability	1,000,000/3,000,000	
Educators Legal Liability	1,000,000/2,000,000	
Commercial Auto Coverage	1,000,000	1,000
Flood Coverage	1,000,000	25,000
Umbrella Coverage	15,000,000	10,000
Workers' Compensation (2)	Statutory	
Umbrella Liability (1)	15,000,000	10,000
Excess Umbrella (3)	30,000,000	
Student Accident (4)	500,000	
Student Accident Catastrophic (5)	5,000,000	25,000
Surety Bonds (6)		
Board Secretary	300,000	

- (1) Utica National Insurance Group
- (2) NJ Schools Insurance Group
- (3) Toras National Insurance
- (4) Arch Insurance Company
- (5) United State Fire Insurance Company
- (6) RLI Insurance Company

Source: District records

Single Audit Section

INVERSO & STEWART, LLC
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 American Institute of CPAs
 New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
 REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
 ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
 UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
 ASSISTANCE AS REQUIRED BY NEW JERSEY TREASURY CIRCULAR OMB 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

I have audited Burlington Township School District (School District), in the County of Burlington, State of New Jersey'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 School District's major federal and state programs for the fiscal year ended June 30, 2016. The School District'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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on my audit of the types of compliance requirements referred to above. I conducted my 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and 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 Treasury Circular OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, Uniform Guidance and New Jersey Treasury Circular OMB 15-08 require that I 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 and state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal and state program. However, my audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal and State Program

In my opinion, the Burlington Township School District, in the County of Burlington, State of New Jersey 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 fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Burlington Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey Treasury Circular OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Burlington Township School District's internal control over compliance.

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

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the New Jersey Treasury Circular OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Burlington Township School District, in the 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 School District's basic financial statements. I issued my report thereon dated September 15, 2016, which contained unmodified opinions on those financial statements. My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey Treasury Circular OMB 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

This report is intended for the information of the Board of Education, the New Jersey Department of Education, and Federal awarding agencies.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
September 15, 2016

BURLINGTON TOWNSHIP SCHOOL DISTRICT
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	Grant or State Project Number	Program or Award Amount	Grant Period	June 30, 2015			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	June 30, 2016		
						Accounts Receivable	Deferred Revenue	Due to Grantor at					Accounts Receivable	Deferred Revenue	Due to Grantor at
U.S. Department of Education															
<u>General Fund:</u>															
Medical Assistance Program (SEMI)	93.778	1605NJSMAP	N/A	88,118	7/1/15 - 6/30/16				88,118	(88,118)					
Total Special Revenue Fund									88,118	(88,118)					
<u>Special Revenue Fund:</u>															
<u>No Child Left Behind (N.C.L.B.)</u>															
Title I	84.010A	S010A150030	NCLB-0620-16	297,942	7/1/15 - 6/30/16			11,056	203,525	(274,063)		(59,482)			
Title I - Prior Year	84.010A	S010A150030	NCLB-0620-15	266,739	7/1/14 - 6/30/15	(117,423)		(11,056)	128,479						
Title IIA	84.367A	S367A150029	NCLB-0620-16	70,744	7/1/15 - 6/30/16			5,677	39,653	(56,197)		(10,867)			
Title IIA - Prior Year	84.367A	S367A150029	NCLB-0620-15	66,432	7/1/14 - 6/30/15	(24,945)		(5,677)	30,622						
Title III	84.365A	S365A150030	NCLB-0620-16	31,971	7/1/15 - 6/30/16				7,557	(8,978)		(1,421)			
Title III - Prior Year	84.365A	S365A150030	NCLB-0620-15	17,635	7/1/14 - 6/30/15	(3,641)			3,641						
Title III - Immigrant	84.365A	S365A150030	NCLB-0620-15	18,905	7/1/14 - 6/30/15	(13,820)			13,820						
<u>Individuals With Disabilities Act (I.D.E.A.)</u>															
Part B - Basic	84.027	H027A150100	IDEA-0620-16	883,377	7/1/15 - 6/30/16				870,455	(883,377)		(12,922)			
Part B - Basic - Prior Year	84.027	H027A150100	IDEA-0620-15	853,899	7/1/14 - 6/30/15	(290,130)			290,130						
Part B - Preschool	84.173	H173A150114	IDEA-0620-16	28,417	7/1/15 - 6/30/16				28,417	(28,417)					
Perkins	84.048A	V048A140030	PERK-0620-16	18,109	7/1/15 - 6/30/16				16,081	(18,109)		(2,028)			
Perkins	84.048A	V048A140030	PERK-0620-15	17,749	7/1/14 - 6/30/15	(1,197)			1,197						
Total Special Revenue Fund						(451,156)			1,633,577	(1,269,141)		(86,720)			
U.S. Department of Agriculture															
<u>Enterprise Fund:</u>															
Food Distribution Program	10.565	16161NJ304N1099	N/A	104,536	7/1/15 - 6/30/16				104,536	(104,536)					
National School Lunch Program	10.555	16161NJ304N1099	N/A	449,048	7/1/15 - 6/30/16				427,540	(449,048)		(21,508)			
National School Lunch Program	10.555	16161NJ304N1099	N/A	424,699	7/1/14 - 6/30/15	(75,065)			75,065						
School Breakfast Program	10.553	16161NJ304N1099	N/A	86,671	7/1/15 - 6/30/16				80,886	(86,671)		(5,785)			
School Breakfast Program	10.553	16161NJ304N1099	N/A	74,896	7/1/14 - 6/30/15	(15,614)			15,614						
Total Enterprise Fund						(90,679)			703,641	(640,255)		(27,293)			
Total Federal Awards						\$ (541,835)	\$ -	\$ -	\$ -	\$ 2,425,336	\$ (1,997,514)	\$ -	\$ (114,013)	\$ -	

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

BURLINGTON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2016

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2015			Cash Received	Budgetary Expenditures	Repayment of Prior Year Grant	Adjustment	June 30, 2016		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor					Accounts Receivable	Deferred Revenue	Due to Grantor at
State Department of Education													
General Fund:													
Special Education Categorical Aid	16-495-034-5120-089	\$ 2,283,101	7/1/15 - 6/30/16	\$ -	\$ -	\$ -	\$ 2,070,345	\$ (2,283,101)	\$ -	\$ -	\$ (212,756)	\$ -	\$ -
Special Education Categorical Aid	15-495-034-5120-089	2,283,101	7/1/14 - 6/30/15	(213,693)			213,693						
Equalization Aid	16-495-034-5120-078	14,972,792	7/1/15 - 6/30/16				13,577,518	(14,972,792)			(1,395,274)		
Equalization Aid	15-495-034-5120-078	14,972,792	7/1/14 - 6/30/15	(1,401,417)			1,401,417						
Security Aid	16-495-034-5120-084	423,257	7/1/15 - 6/30/16				357,347	(423,257)			(65,910)		
Security Aid	15-495-034-5120-084	423,257	7/1/14 - 6/30/15	(39,616)			39,616						
Under Adequacy Aid	16-495-034-5120-096	34,377	7/1/15 - 6/30/16				31,173	(34,377)			(3,204)		
Under Adequacy Aid	15-495-034-5120-096	34,377	7/1/14 - 6/30/15	(3,217)			3,217						
Transportion Aid	16-495-034-5120-014	707,284	7/1/15 - 6/30/16				667,842	(707,284)			(39,442)		
Transportion Aid	15-495-034-5120-014	707,284	7/1/14 - 6/30/15	(66,200)			66,200						
PARCC Readiness Aid	16-495-034-5120-098	40,040	7/1/15 - 6/30/16				36,309	(40,040)			(3,731)		
PARCC Readiness Aid	15-495-034-5120-098	40,040	7/1/14 - 6/30/15	(3,748)			3,748						
Per Pupil Growth Aid	16-495-034-5120-097	40,040	7/1/15 - 6/30/16				36,309	(40,040)			(3,731)		
Per Pupil Growth Aid	15-495-034-5120-097	40,040	7/1/14 - 6/30/15	(3,748)			3,748						
Reimbursement of Nonpublic Transportation	16-103190	33,436	7/1/15 - 6/30/16					(33,436)			(33,436)		
Reimbursement of Nonpublic Transportation	15-103190	32,163	7/1/14 - 6/30/15	(32,163)			32,163						
Extraordinary Aid	16-495-034-5120-044	486,801	7/1/15 - 6/30/16					(486,801)			(486,801)		
Extraordinary Aid	15-495-034-5120-044	554,290	7/1/14 - 6/30/15	(554,290)			554,290						
Homeless Tuition Aid	16-495-034-5120-005	292,205	7/1/15 - 6/30/16					(292,205)			(292,205)		
On Behalf TPAF Pension	16-495-034-5094-002	1,935,317	7/1/15 - 6/30/16				1,935,317	(1,935,317)					
On Behalf TPAF Post Retirement Medical	16-495-034-5094-001	2,304,427	7/1/15 - 6/30/16				2,304,427	(2,304,427)					
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	1,861,945	7/1/15 - 6/30/16				1,770,241	(1,861,945)			(91,704)		
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	1,835,691	7/1/14 - 6/30/15	(90,495)			90,495						
Total General Fund				(2,408,587)			25,195,415	(25,415,022)			(2,628,194)		
Special Revenue Fund													
NJ Nonpublic Aid:													
Textbook Aid	16-100-034-5120-064	4,340	7/1/15 - 6/30/16				4,340	(4,143)					197
Nursing Aid	16-100-034-5120-070	7,200	7/1/15 - 6/30/16				7,200	(7,200)					
Nursing Aid	15-100-034-5120-070	6,545	7/1/14 - 6/30/15			867		(867)					
Technology Aid	16-100-034-5120-373	1,976	7/1/15 - 6/30/16				1,976	(1,976)					
Technology Aid	15-100-034-5120-373	1,856	7/1/14 - 6/30/15			152		(152)					5
Security Aid	16-100-034-5120-509	2,000	7/1/15 - 6/30/16				2,000	(1,995)					
Total Special Revenue Fund						1,019	15,516	(15,314)	(1,019)				202
New Jersey School Development Authority													
Capital Projects Fund													
High School	0620-010-14-1001	809,471	6/20/14 - 6/30/15	(809,471)			647,577				(161,894)		
Thomas O. Hopkins Middle School	0620-025-14-1002	246,036	5/02/14 - 6/30/15	(246,036)							(246,036)		
Middle School	0620-051-14-1005	97,064	5/02/14 - 6/30/15	(97,064)							(97,064)		
Fountain Woods	0620-037-14-1004	74,283	5/02/14 - 6/30/15	(74,283)							(74,283)		
Bernice Young School	0620-030-14-1003	1,104,619	5/02/14 - 6/30/15	(1,104,619)			847,773				(256,846)		
High School	0620-010-10-1001	77,480	10/13/10 - 6/30/12	(77,480)			39,127				(38,353)		
Thomas O. Hopkins Middle School	0620-025-10-1002	84,138	10/13/10 - 6/30/12	(84,138)			84,138				-		
Middle School	0620-051-10-1005	127,652	10/13/10 - 6/30/12	(127,652)			127,652				-		
Fountain Woods	0620-037-10-1004	85,513	10/13/10 - 6/30/12	(85,513)			85,513				-		
Bernice Young School	0620-030-10-1003	96,674	10/13/10 - 6/30/12	(96,674)			96,974				-		
High School	0620-010-09-1001	176,855	6/01/10 - 9/01/12	(176,855)			169,126			7,729	-		
Fountain Woods	0620-037-09-1002	43,996	6/01/10 - 9/01/12	(43,996)			42,389			1,607	-		
Total Capital Projects Fund				(3,024,081)			2,140,269			9,336	(874,476)		
Debt Service Fund													
Debt Service Aid Type II	16-495-034-5120-017	1,022,220	7/1/15 - 6/30/16				1,022,220	(1,022,220)					
State Department of Agriculture													
Enterprise Fund:													
State School Lunch Program	16-100-010-3350-023	14,969	7/1/15 - 6/30/16				14,270	(14,969)			(699)		
State School Lunch Program	15-100-010-3350-023	14,989	7/1/14 - 6/30/15	(2,605)			2,605						
Total Enterprise Fund				(2,605)			16,875	(14,969)			(699)		
Total State Financial Assistance				\$(5,435,273)	\$ -	\$ 1,019	\$ 28,390,295	\$ (26,467,525)	\$ (1,019)	\$ 9,336	\$(3,503,369)	\$ -	\$ 202
Less: State Financial Assistance Not Subject to Major Program Determination													
On-Behalf TPAF Contribution - Pension (Non-Budgeted)													
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)													
\$ (1,935,317)													
(2,304,427)													
Total State Financial Assistance Subject to Major Program Determination													
\$ (22,227,781)													

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**Burlington Township School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2016**

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Board of Education, Burlington Township School District. The Board of Education is defined in Note 1 to the School District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 the 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more of the June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or two June state aid payments in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$7,591 for the general fund and \$ -0- for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information 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 expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 88,118	\$ 25,422,613	\$ 25,510,731
Special Revenue Fund	1,269,141	15,314	1,284,455
Debt Service Fund		1,022,220	1,022,220
Food Service Fund	640,255	14,969	655,224
Total Awards & Financial Assistance	<u>\$ 1,997,514</u>	<u>\$ 26,475,116</u>	<u>\$ 28,472,630</u>

**Burlington Township School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2016**

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.

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent 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 School District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the State for the School District's share of social security contributions for TPAF members for the year ended June 30, 2016.

6. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

7. ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" represent the following:

	<u>Federal</u>	<u>State</u>
Prior Year Receivable Canceled	\$ -	\$ 9,336

**BURLINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND 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: Unmodified

Internal control over financial reporting:

1) Material weaknesses identified? yes X no

2) Significant deficiencies identified that are not considered to be a material weakness? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be a material weakness? yes X none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A150100</u>	<u>IDEA Part B Basic</u>
<u>84.173</u>	<u>H173A150114</u>	<u>IDEA Part B Preschool</u>
<u>10.555</u>	<u>16161NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>16161NJ304N1099</u>	<u>School Breakfast Program</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

BURLINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Section 1 -- Summary of Auditor's Results (Cont'd)

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weakness? yes X none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>16-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>16-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>16-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>16-495-034-5120-017</u>	<u>Debt Service Aid</u>
<u>16-100-010-3350-023</u>	<u>School Lunch Program</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**BURLINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements in accordance with Government Auditing Standards.

No findings identified.

**BURLINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and 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 Award* and NJOMB Circular Letter 15-08, as applicable.

FEDERAL AWARDS:

No findings and/or questioned costs identified.

STATE AWARDS:

No findings and/or questioned costs identified.

**BURLINGTON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

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* and NJOMB's Circular 14-04 and/or 15-08, as applicable.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.