

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

Westampton, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

WESTAMPTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Prepared by

Burlington County Institute of Technology Business Office

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OUTLINE OF CAFR - GASB #34

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INTRODUCTORY SECTION

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY**

20 Pioneer Blvd · Westampton NJ 08060 · P: 609-261-5600 · F: 609-261-5967

Dr. Christopher Nagy
Superintendent of Schools
cnagy@burlcoschools.org

Theresa L. Margiotta
Business Administrator/Board Secretary
tmargiotta@burlcoschools.org

November 30, 2017

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Burlington County Institute of Technology for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Burlington County Institute of Technology. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08 OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*". Information related to this Single Audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Burlington County Institute of Technology is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The Burlington County Institute of Technology is a vocational high school serving grades 9 through 12 which also provides all required academic training. In addition to the high school program, the District operates an extensive adult post-secondary education. The district enrollment dropped approximately 2.60% compared to the prior year. The School District's enrollment, as of October 15th, for the current and past nine fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-2017	1,949	-2.60%
2015-2016	2,001	-0.30%
2014-2015	2,007	0.35%
2013-2014	2,000	-1.67%
2012-2013	2,034	4.04%
2011-2012	1,955	1.30%
2010-2011	1,930	-1.93%
2009-2010	1,968	2.93%
2008-2009	1,912	-5.95%
2007-2008	2,033	-4.28%

ECONOMIC CONDITION AND OUTLOOK

There has been a dramatic shift in our economy with the election of the President of the United States. In the last year, the Dow Jones Industrial Average has increased by approximately 25%. One of the sectors of our economy that has been the beneficiary of this tremendous performance has been the manufacturing sector. We are seeing consistent growth in this sector, with an expansion pattern that has been sustained for more than 12 consecutive months. This consistency should translate into the creation of manufacturing jobs, as well as new jobs in the manufacturing-related trades. BCIT's recent focus on, and commitment to, the education & training for our students in manufacturing will position them to achieve success in manufacturing & the manufacturing related trades. This, in turn, should result in an increase in the number of applicants of incoming students and thereby increase enrollment.

MAJOR INITIATIVES

BCIT's primary objective is to provide students with high quality career and technical education in preparation for a career, higher education leading to a career and lifelong learning. BCIT has implemented a comprehensive literacy program called "Literacy for Life" to enhance literary supports for students. Various data points are being assessed to inform instruction such as PARCC, Star360, LinkIt Form A and B, etc. Teachers have received professional development for literacy and mathematics strategies. In partnership with RCBC, BCIT started a College Head Start program for the Electronic and Computer Engineering Technology Academy whereby students can complete at least one year of college while in high school. PARCC assessment results have improved in comparison to the previous year. Last year, BCIT expanded its AP program to include AP Chemistry and AP English Composition. The district has continued to enhance its security protocols and infrastructure to ensure that students and staff have a safe learning environment. BCIT continues to develop articulation agreements with institutes of higher education to allow students to earn college credits while in high school. Several CTE programs were renovated this year to provide a high quality CTE training in a modern environment, which include the following: Welding Technology, HVAC Technology, ECET Academy, Information Technology, Sports Medicine, Architecture Design Technology, and Cosmetology.

INTERNAL ACCOUNTING CONTROLS

Management of the School 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 and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (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 delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the School 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. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The School District's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman, Frenia & Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the 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 accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,



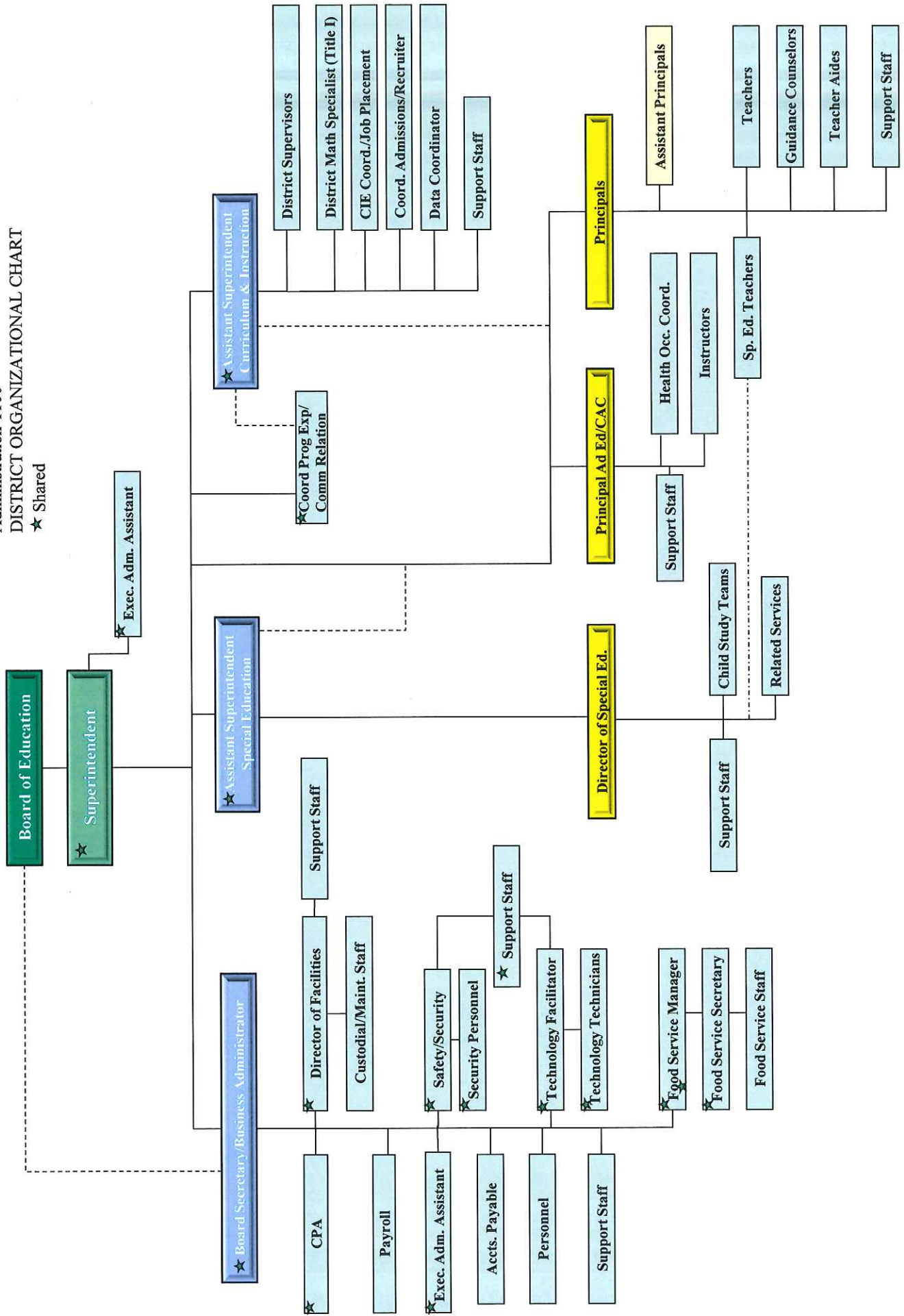
Christopher Nagy, Ed. D.
Superintendent



Theresa L. Margiotta
School Business Administrator/Board Secretary

POLICY

**Burlington County Institute of Technology
Administration 1100
DISTRICT ORGANIZATIONAL CHART
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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
695 Woodlane Road
Westampton, New Jersey 08060

ROSTER OF OFFICIALS

JUNE 30, 2017

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Robert C. Silcox, President	2018
Paula Lee, Vice President	2018
Kathleen Burgess	2019
John J. Ferry	2017
Leon E. Jones, Jr.	2017
Tyler Seville	2019

OTHER OFFICIALS

Dr. Christopher Nagy, Superintendent

Theresa L. Margiotta, Business Administrator/Board Secretary

Constance L. Stewart, Treasurer

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

CONSULTANTS AND ADVISORS

ARCHITECT

The Design Collaborative
414 Garden State Parkway, Suite 100
Cape May Court House, New Jersey 08210

AUDIT FIRM

Michael Holt, CPA, PSA
Holman Frenia Allison, P. C.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Capehart Scatchard
8000 Midlantic Drive
Mt. Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

TD Bank

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Burlington County Institute of Technology, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2017, 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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Burlington County Institute of Technology, County of Burlington, State of New Jersey, as of June 30, 2017, 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 the schedules related to accounting and reporting for pensions, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Burlington County Institute of Technology's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting

statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
November 30, 2017

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

As management of the Burlington County Institute of Technology, Westampton, 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, 2017. 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.

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) Government-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.

Government-Wide Financial Statements

The *government-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 government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources 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 expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-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 most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, and Capital Projects Fund. Business-type activities reflect the Food Service Fund, Fire School Fund, Adult Education Fund, Beaver's Den Child Care Fund, and Summer Camp Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-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*.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-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 financial 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 three individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, and the Capital Projects Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund and Special Revenue 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 government-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 government-wide financial statements, only in more detail.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations. The School District has five enterprise funds: Food Service Fund, Fire School fund, Adult Education fund, Beaver's Den Childcare fund, and Summer Camps fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-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.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School Districts net position for the fiscal years 2017 compared to fiscal year 2016.

Table 1
Summary of Net Position

	June 30, <u>2017</u>	June 30, <u>2016</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 4,665,311	\$ 6,713,405	\$ (2,048,094)	-30.5%
Capital Assets, Net	48,334,080	47,948,202	385,878	0.8%
Total Assets	<u>52,999,391</u>	<u>54,661,607</u>	<u>(1,662,216)</u>	-3.0%
Deferred Outflow of Resources	<u>7,260,418</u>	<u>2,382,663</u>	<u>4,877,755</u>	204.7%
Current and other Liabilities	1,391,187	932,605	458,582	49.2%
Noncurrent Liabilities	<u>22,244,577</u>	<u>16,189,288</u>	<u>6,055,289</u>	37.4%
Total Liabilities	<u>23,635,764</u>	<u>17,121,893</u>	<u>6,513,871</u>	38.0%
Deferred Inflow of Resources	<u>229,441</u>	<u>525,072</u>	<u>(295,631)</u>	-56.3%
Net Position:				
Net Investment in Capital Asset	78,334,080	47,948,202	30,385,878	63.4%
Restricted	(26,742,812)	4,547,416	(31,290,228)	-688.1%
Unrestricted (Deficit)	<u>(15,196,664)</u>	<u>(13,098,313)</u>	<u>(2,098,351)</u>	16.0%
Total Net Position	<u>\$ 36,394,604</u>	<u>\$ 39,397,305</u>	<u>\$ (3,002,701)</u>	-7.6%

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

Table 2 shows the changes in net position for fiscal year 2017 compared to fiscal year 2016.

Table 2
Summary of Changes in Net Position

	June 30, <u>2017</u>	June 30, <u>2016</u>	Increase/ (Decrease)	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 1,810,057	\$ 2,010,900	\$ (200,843)	-10.0%
Operating Grants & Contributions	5,477,239	9,164,485	(3,687,246)	-40.2%
General Revenues:				
Property Taxes	14,929,750	15,894,975	(965,225)	-6.1%
Federal & State Aid	14,995,140	14,775,162	219,978	1.5%
Tuition	6,710,366	6,611,347	99,019	1.5%
Other General Revenues	294,610	195,481	99,129	50.7%
Total Revenues	<u>44,217,162</u>	<u>48,652,350</u>	<u>(4,435,188)</u>	-9.1%
Function/Program Expenses:				
Regular Instruction	6,419,851	6,140,935	278,916	4.5%
Special Education Instruction	2,139,517	2,209,892	(70,375)	-3.2%
Vocational Education	4,611,502	4,618,686	(7,184)	-0.2%
Other Instruction	1,149,279	1,147,632	1,647	0.1%
Student & Instruction Related Services	3,347,487	3,863,450	(515,963)	-13.4%
General Administrative	711,033	669,675	41,358	6.2%
School Administrative Services	6,291,546	5,450,637	840,909	15.4%
Plant Operations & Maintenance	5,244,011	5,312,351	(68,340)	-1.3%
Pupil Transportation	386,327	266,207	120,120	45.1%
Unallocated Benefits	7,846,993	10,792,625	(2,945,632)	-27.3%
TPAF Pension & S.S. Contribution	3,684,261	3,248,897	435,364	13.4%
Increase In Compensated Absences	23,782	119,224	(95,442)	-80.1%
Special Schools	-	94,168	(94,168)	-100.0%
Adjustment to Capital Outlay	(213,482)	-	(213,482)	#DIV/0!
Interest & Other Charges	236,013	236,013	-	0.0%
Unallocated Depreciation	2,541,849	3,386,374	(844,525)	-24.9%
Food Service	1,214,964	1,289,212	(74,248)	-5.8%
Fire School	132,997	203,540	(70,543)	-34.7%
Adult Education Programs	1,216,484	1,202,046	14,438	1.2%
Summer Camps	51,772	38,562	13,210	34.3%
Beaver's Den Child Care	183,677	178,374	5,303	3.0%
Total Expenses	<u>47,219,863</u>	<u>50,468,500</u>	<u>(3,248,637)</u>	-6.4%
Change In Net Position	(3,002,701)	(1,816,150)	(1,186,551)	65.3%
Net Position - Beginning	39,397,305	41,213,455	(1,816,150)	-4.4%
Net Position - Ending	<u>\$ 36,394,604</u>	<u>\$ 39,397,305</u>	<u>\$ (3,002,701)</u>	-7.6%

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

Governmental Activities

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

During the fiscal year 2017, the net position of governmental activities decreased by \$2,580,855. The primary reason for the decrease was the decrease in general revenue of Federal & State Aid Not restricted in the current year.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$36,245,893, with an unrestricted deficit balance of \$15,338,195. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$ (15,338,195)
Add back: PERS Pension Liability	20,270,326
Less: Deferred Outflows related to pensions	(7,260,418)
Add back: Deferred Inflows related to pensions	<u>229,441</u>
Unrestricted Net Position (Without GASB 68)	<u>\$ (2,098,846)</u>

Business-type Activities

During the fiscal year 2017, the net position of business-type activities decreased by \$421,846.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$148,711.

General Fund Budgeting Highlights

Final budgeted revenues were \$37,432,654, which was equal to the original budget. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$972,817.

Final budgeted appropriations were \$38,720,785, which was an increase of \$1,289,663 from the original budget. The increase is primarily due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year's budget. Excluding nonbudgeted revenues, the School District's actual expenditures exceeded budgeted appropriations by \$723,776.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$4,902,833 at June 30, 2017, a decrease of \$1,399,538 from the prior year.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$3,822,593, a decrease of \$1,396,263 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund decreased by \$1,396,263. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- Year over year our major revenue streams have remained consistent while our expenses continue to rise.

Special revenue fund – There was no change in the fund balance for the special revenue fund.

Capital projects fund - There was no change in the fund balance for the capital projects fund.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund decrease by \$48,842. The primary factor(s) affecting the change in net position of the food service fund is as follows:

- Program fees were not raised in an amount commensurate with program costs.

School Store - During the current fiscal year, there was no reported activity in the School Store fund.

Fire School - During the current fiscal year, the net position of the School District's Fire School fund increased by \$13,436. The primary factor(s) affecting the change in net position of the Fire School fund is as follows:

- The Fire School did not incur non-operating expenses, thereby preserving their operating income.

Adult Education - During the current fiscal year, the net position of the School District's Adult Education fund decreased by \$384,285. The primary factor(s) affecting the change in net position of the Adult Education fund is as follows:

- The use of an inaccurate formula by the Adult Ed. Principal was used when calculating program fees.
- Poor budgeting by the Adult Ed. Principal.

Beaver's Den Child Care - During the current fiscal year, the net position of the School District's Beaver's Den Child Care fund decreased by \$1,438. The primary factor(s) affecting the change in net position of the Beaver's Den Child Care fund is as follows:

- Costs rose at a rate that exceeded expectations. Accordingly, program fees were raised for the 17/18 school year.

Summer Camp - During the current fiscal year, the net position of the School District's Summer Camp fund decreased by \$717. The primary factor(s) affecting the change in net position of the Summer Camp fund is as follows:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

- The program incurred expenses predicated upon registration received. However, some registrants withdrew prior to attending the camp, but subsequent to the camp incurring certain expenses.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2017, totaled \$48,334,080 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net increase in the School District's investment in capital assets for the current fiscal year in the amount of \$385,878. This increase is primarily due to current year additions net depreciation expenses. Table 3 shows fiscal 2017 balances compared to 2016.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 379,000	\$ 379,000	\$ -	0.0%
Land Improvements	3,902,666	3,070,174	832,492	27.1%
Building and Improvements	39,851,646	40,891,594	(1,039,948)	-2.5%
Equipment	4,200,768	3,607,434	593,334	16.4%
	<u>\$ 48,334,080</u>	<u>\$ 47,948,202</u>	<u>\$ 385,878</u>	0.8%

Depreciation expense for the year was \$2,543,282. 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.

Contacting the School Districts Financial Management

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 Theresa L. Margiotta, Secretary to the Board of Education and School Business Administrator at: Burlington County Institute of Technology, 2 Academy Drive, Westampton, NJ 08060.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash & Cash Equivalents	\$ 1,091,921	\$ 251,658	\$ 1,343,579
Receivables, Net (Note 4)	350,352	34,889	385,241
Inventory	-	30,307	30,307
Restricted Cash & Cash Equivalents	2,906,184	-	2,906,184
Capital Assets, Net (Note 5)			
Non-depreciable	379,000	-	379,000
Depreciable	47,947,900	7,180	47,955,080
	<hr/>		
Total Assets	52,675,357	324,034	52,999,391
	<hr/>		
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	7,260,418	-	7,260,418
	<hr/>		
Total Deferred Outflow of Resources	7,260,418	-	7,260,418
	<hr/>		
LIABILITIES:			
Accounts Payable	525,864	1,842	527,706
Due to Other Governments	690,000	-	690,000
Unearned Revenue	-	173,481	173,481
Noncurrent Liabilities (Note 7):			
Due in more than one year	22,244,577	-	22,244,577
	<hr/>		
Total Liabilities	23,460,441	175,323	23,635,764
	<hr/>		
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	229,441	-	229,441
	<hr/>		
Total Deferred Inflow of Resources	229,441	-	229,441
	<hr/>		
NET POSITION:			
Net Investment in Capital Assets	48,326,900	7,180	48,334,080
Restricted for:			
Capital Projects	3,257,188	-	3,257,188
Unrestricted (Deficit)	(15,338,195)	141,531	(15,196,664)
	<hr/>		
Total Net Position	\$ 36,245,893	\$ 148,711	\$ 36,394,604
	<hr/> <hr/>		

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 6,419,851	\$ -	\$ 1,147,434	\$ (5,272,417)	\$ -	\$ (5,272,417)
Special Education Instruction	2,139,517	-	-	(2,139,517)	-	(2,139,517)
Vocational Education	4,611,502	-	-	(4,611,502)	-	(4,611,502)
Other Instruction	1,149,279	-	-	(1,149,279)	-	(1,149,279)
Support Services:						
Student & Instruction Related Services	3,347,487	-	77,553	(3,269,934)	-	(3,269,934)
Other Administrative	711,033	-	-	(711,033)	-	(711,033)
School Administrative Services	6,291,546	-	-	(6,291,546)	-	(6,291,546)
Plant Operations & Maintenance	5,244,011	-	-	(5,244,011)	-	(5,244,011)
Pupil Transportation	386,327	-	-	(386,327)	-	(386,327)
Unallocated Employee Benefits	7,870,775	-	-	(7,870,775)	-	(7,870,775)
On-Behalf TPAF Pension and Social Security Contribution	3,684,261	-	3,684,261	-	-	-
Debt Service:						
Interest & Other Charges	236,013	-	-	(236,013)	-	(236,013)
Adjustment to Capital Outlay	(213,482)	-	-	213,482	-	213,482
Unallocated Depreciation	2,541,849	-	-	(2,541,849)	-	(2,541,849)
Total Governmental Activities	44,419,969	-	4,909,248	(39,510,721)	-	(39,510,721)
Business-Type Activities:						
Food Service	1,214,964	603,983	562,139	-	(48,842)	(48,842)
Fire School	132,997	146,433	-	-	13,436	13,436
Adult Education Programs	1,216,484	826,347	5,852	-	(384,285)	(384,285)
Beaver's Den Child Care	183,677	182,239	-	-	(1,438)	(1,438)
Summer Camps	51,772	51,055	-	-	(717)	(717)
Total Business-Type Activities	2,799,894	1,810,057	567,991	(421,846)	(421,846)	(421,846)
Total Primary Government	\$ 47,219,863	\$ 1,810,057	\$ 5,477,239	(39,510,721)	(421,846)	(39,932,567)
General Revenues:						
Taxes:						
County Appropriations				14,929,750	-	14,929,750
Federal & State Aid Not Restricted				14,995,140	-	14,995,140
Tuition Charges				6,710,366	-	6,710,366
Miscellaneous				294,610	-	294,610
Total General Revenues				36,929,866	-	36,929,866
Change In Net Position				(2,580,855)	(421,846)	(3,002,701)
Net Position - Beginning				38,826,748	570,557	39,397,305
Net Position - Ending				\$ 36,245,893	\$ 148,711	\$ 36,394,604

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

B. Fund Financial Statements

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Governmental Funds

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
Cash & Cash Equivalents	\$ 743,696	\$ -	\$ 351,004	\$ 1,094,700
Accounts Receivable:				
Federal	10,873	-	-	10,873
State	44,759	2,779	-	47,538
Other	291,941	-	-	291,941
Restricted Cash	2,906,184	-	-	2,906,184
Total Assets	\$ 3,997,453	\$ 2,779	\$ 351,004	\$ 4,351,236
LIABILITIES & FUND BALANCES				
Liabilities:				
Cash Deficit	\$ -	\$ 2,779	\$ -	\$ 2,779
Accounts Payable	525,864	-	-	525,864
Total Liabilities	525,864	2,779	-	528,643
Fund Balances:				
Restricted:				
Capital Reserve	2,906,184	-	-	2,906,184
Capital Projects	-	-	351,004	351,004
Assigned to:				
Other Purposes	442,891	-	-	442,891
Unassigned:				
General Fund	122,514	-	-	122,514
Total Fund Balances	3,471,589	-	351,004	3,822,593
Total Liabilities & Fund Balances	\$ 3,997,453	\$ 2,779	\$ 351,004	
Amounts reported for <i>governmental activities</i> in the statement of Net Position (A-1)				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$92,816,510 and the accumulated depreciation is \$44,489,610.				48,326,900
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.				
Deferred Outflows related to pensions				7,260,418
Deferred Inflows related to pensions				(229,441)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.				
Accrued pension contributions for the June 30, 2017 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.				(690,000)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.				(22,244,577)
Net position of Governmental Activities				<u>\$ 36,245,893</u>

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
Revenues:				
Local Sources:				
Local Tax Levy	\$ 14,929,750	\$ -	\$ -	\$ 14,929,750
Tuition Charges	6,710,366	-	-	6,710,366
Miscellaneous	156,976	-	-	156,976
Total Local Sources	21,797,092	-	-	21,797,092
State Sources	18,286,197	114,137	-	18,400,334
Federal Sources	64,084	1,439,970	-	1,504,054
Total Revenues	40,147,373	1,554,107	-	41,701,480
Expenditures:				
Instruction:				
Regular Instruction	5,272,417	1,147,434	-	6,419,851
Special Education Instruction	2,139,517	-	-	2,139,517
Vocational Education	4,611,502	-	-	4,611,502
Other Instruction	1,149,279	-	-	1,149,279
Support Services & Undistributed Costs:				
Student & Instruction Related Services	3,269,934	77,553	-	3,347,487
Other Administrative Services	711,033	-	-	711,033
School Administrative Services	6,291,546	-	-	6,291,546
Plant Operations & Maintenance	5,244,011	-	-	5,244,011
Pupil Transportation	386,327	-	-	386,327
On Behalf TPAF Pension and Social				
Security Contributions	3,684,261	-	-	3,684,261
Unallocated Benefits	6,175,941	122,931	-	6,298,872
Capital Outlay	2,509,489	206,189	-	2,715,678
Debt Service:				
Interest & Other Charges	236,013	-	-	236,013
Total Expenditures	41,681,270	1,554,107	-	43,235,377
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(1,533,897)	-	-	(1,533,897)
Other Financing Sources/(Uses):				
Operating Transfers In (Out) - Cancellation of Prior Year AP	137,634	-	-	137,634
Total Other Financing Sources/(Uses)	137,634	-	-	137,634
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses				
Fund Balances July 1	(1,396,263)	-	-	(1,396,263)
Fund Balances July 1	4,867,852	-	351,004	5,218,856
Fund Balances June 30	\$ 3,471,589	\$ -	\$ 351,004	\$ 3,822,593

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Total Net Changes in Fund Balances - Governmental Funds (B-2) \$ (1,396,263)

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

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

	\$	(2,541,849)	
Depreciation Expense		213,482	
Adjustment		<u>2,715,678</u>	
Capital Outlays			387,311

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period. (1,548,121)

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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (23,782)

Change in Net Position of Governmental Activities \$ (2,580,855)

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Proprietary Funds

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017**

ASSETS	FOOD SERVICE FUND	SCHOOL STORE	FIRE SCHOOL	ADULT EDUCATION	BEAVER'S DEN CHILD CARE	SUMMER CAMPS	TOTALS
Current Assets:	\$ 293	\$ -	\$ 2,104,417	\$ -	\$ 66,020	\$ 48,895	\$ 325,625
Cash	-	-	-	-	-	-	-
Accounts Receivable:	-	-	-	34,889	-	-	34,889
Other	9,504	20,803	-	-	-	-	30,307
Inventories	-	-	-	-	-	-	-
Total Current Assets	9,797	20,803	2,104,417	34,889	66,020	48,895	390,821
Capital Assets:	14,356	-	-	-	-	-	14,356
Equipment	(7,176)	-	-	-	-	-	(7,176)
Less: Accumulated Depreciation	-	-	-	-	-	-	-
Total Capital Assets	7,180	-	-	-	-	-	7,180
Total Assets	16,977	20,803	2,104,417	34,889	66,020	48,895	398,001
LIABILITIES							
Current Liabilities:	-	-	-	73,967	-	-	73,967
Cash Deficit	-	-	-	121,881	3,875	47,725	173,481
Unearned Revenue	-	-	-	418	-	1,424	1,842
Accounts Payable	-	-	-	-	-	-	-
Total Liabilities	-	-	-	196,266	3,875	49,149	249,290
NET POSITION							
Investment in Capital Assets Unrestricted	7,180	-	-	-	-	-	7,180
	9,797	20,803	2,104,417	(161,377)	62,145	(254)	141,531
Total Net Position	\$ 16,977	\$ 20,803	\$ 2,104,417	\$ (161,377)	\$ 62,145	\$ (254)	\$ 148,711

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES
EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	FOOD SERVICE FUND	SCHOOL STORE	FIRE SCHOOL	ADULT EDUCATION	BEAVER'S DEN CHILD CARE	SUMMER CAMPS	TOTALS
Operating Revenues:							
Local Sources:							
Fees	\$ 72,417	\$ -	\$ 146,433	\$ 825,377	\$ 182,239	\$ 51,055	\$ 1,277,521
Daily Sales-Reimbursable Programs	191,293	-	-	-	-	-	191,293
Daily Sales-Non-Reimbursable Program	296,418	-	-	-	-	-	296,418
Miscellaneous	7,804	-	-	970	-	-	8,774
Special Functions	36,051	-	-	-	-	-	36,051
Total Operating Revenue	603,983	-	146,433	826,347	182,239	51,055	1,810,057
Operating Expenses:							
Cost of sales-reimbursable programs	185,323	-	-	-	-	-	185,323
Cost of sales-non-reimbursable programs	399,813	-	-	-	-	-	399,813
Administrative Fees	87,435	-	-	-	-	-	87,435
Employee Benefits	112,904	-	-	54,463	-	-	167,367
Insurance	15,593	-	-	-	-	-	15,593
Miscellaneous	20,106	-	-	217,205	-	-	237,311
Depreciation	1,433	-	-	-	-	-	1,433
Salaries	381,045	-	110,448	807,903	172,631	34,415	1,506,442
Supplies	11,312	-	-	104,141	11,046	17,357	143,856
Textbooks	-	-	22,190	26,920	-	-	49,110
Tuition	-	-	359	5,852	-	-	6,211
Total Operating Expenses	1,214,964	-	132,997	1,216,484	183,677	51,772	2,799,894
Operating Income/(Loss)	(610,981)	-	13,436	(390,137)	(1,438)	(717)	(989,837)
Nonoperating Revenues (Expenses)							
State Sources:							
State School Lunch Program	7,680	-	-	-	-	-	7,680
Federal Sources:							
Vocational Rehabilitation Services	-	-	-	5,852	-	-	5,852
School Breakfast Program	133,740	-	-	-	-	-	133,740
National School Lunch Program	351,505	-	-	-	-	-	351,505
Food Distribution Program	69,214	-	-	-	-	-	69,214
Total Nonoperating Revenue (Expenses)	562,139	-	-	5,852	-	-	567,991
Change in Net Position	(48,842)	-	13,436	(384,285)	(1,438)	(717)	(421,846)
Total Net Position - Beginning	65,819	20,803	196,981	222,908	63,583	463	570,557
Total Net Position - Ending	\$ 16,977	\$ 20,803	\$ 210,417	\$ (161,377)	\$ 62,145	\$ (254)	\$ 148,711

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	FOOD SERVICE FUND	FIRE SCHOOL	ADULT EDUCATION	BEAVER'S DEN CHILD CARE	SUMMER CAMPS	TOTALS
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 674,630	\$ 146,433	\$ 860,191	\$ 183,724	\$ 52,000	\$ 1,916,978
Payments to Employees	(381,045)	(110,448)	(807,903)	(172,631)	(34,415)	(1,506,442)
Payments to Food Service Management Company	(87,435)	-	-	-	-	(87,435)
Payments for Employee Benefits	(112,904)	-	(54,463)	-	-	(167,367)
Payments to Suppliers	(632,601)	(22,549)	(367,255)	(11,046)	(18,148)	(1,051,599)
Net Cash Provided/(Used) by Operating Activities	(539,355)	13,436	(369,430)	47	(563)	(895,865)
Cash Flows From Noncapital Financing Activities:						
Cash Received From State & Federal Programs	525,354	-	5,852	-	-	531,206
Net Cash Provided by Noncapital Financing Activities	525,354	-	5,852	-	-	531,206
Net Increase/(Decrease) in Cash & Cash Equivalents	(14,001)	13,436	(363,578)	47	(563)	(364,659)
Balances - Beginning of Year	14,294	196,981	289,611	65,973	49,458	616,317
Balances - Ending of Year	\$ 293	\$ 210,417	\$ (73,967)	\$ 66,020	\$ 48,895	\$ 251,658
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:						
Operating Income (Loss)	\$ (610,981)	\$ 13,436	\$ (390,137)	\$ (1,438)	\$ (717)	\$ (989,837)
to Cash Provided by (Used in) Operating Activities:						
Food Distribution Program	69,214	-	-	-	-	69,214
Cancellation of Prior Year Receivable	1,433	-	-	-	-	1,433
Change in Assets & Liabilities:						
(Increase)/Decrease in Accounts Receivable	-	-	(13,847)	-	-	(13,847)
(Increase)/Decrease in Inventory	979	-	-	-	-	979
Increase/(Decrease) in Unearned Revenue	-	-	47,691	1,485	945	50,121
Increase/(Decrease) in Other Payables	-	-	(13,137)	-	(791)	(13,928)
Net Cash Provided/(Used) by Operating Activities	\$ (539,355)	\$ 13,436	\$ (369,430)	\$ 47	\$ (563)	\$ (895,865)

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Fiduciary Fund

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITON
JUNE 30, 2017**

ASSETS	PRIVATE PURPOSE		AGENCY FUNDS		TOTALS
	UNEMPLOYMENT COMPENSATION INSURANCE	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$ 659,079	\$ 93,104	\$ 276,208		\$ 1,028,391
Total Assets	659,079	93,104	276,208		1,028,391
LIABILITIES					
Unemployment Claims Payable	1,411	-	-		1,411
Payroll Deductions & Withholdings	-	-	160,446		160,446
Due to Employees	-	-	115,762		115,762
Due to Student Groups	-	93,104	-		93,104
Total Liabilities	1,411	93,104	276,208		370,723
NET POSITION					
Restricted	657,668	-	-		657,668
Total Net Position	\$ 657,668	\$ -	\$ -		\$ 657,668

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

ADDITIONS	<u>PRIVATE PURPOSE</u> UNEMPLOYMENT COMPENSATION INSURANCE	TOTALS
Local Sources:		
Employee Salary Deductions	\$ 57,705	\$ 57,705
Total Operating Revenues	57,705	57,705
Other Sources:		
Interest on Investments	1,261	1,261
Total Additions	58,966	58,966
DEDUCTIONS		
Unemployment Compensation		
Insurance Claims	89,435	89,435
Total Deductions	89,435	89,435
Change in Net Position	(30,469)	(30,469)
Net Position - Beginning of the Year	688,137	688,137
Net Position - End of the Year	\$ 657,668	\$ 657,668

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Burlington County Institute of Technology have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Burlington County Institute of Technology is a Type I District located in the County of Burlington, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education. The Board is comprised of appointed officials by the County Freeholders and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The Board is comprised of six members appointed to four year terms, which are staggered so that one member's term expires each year. In addition the County Superintendent services as an ex-officio member. There are two campuses, Woodlane Road in Westampton Township and Hawkins Road in Medford Township. The District provides a full range of education services appropriated to grade levels 9 through 12. The Burlington County Institute of Technology has an approximate enrollment at June 30, 2017 of 1,949 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is a component unit of the County of Burlington, however, the County of Burlington reports on a regulatory basis of accounting which excludes component units. The County of Burlington's financial statements may be obtained directly from the County of Burlington Department of Finance and Administration.

Component Units

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34*. The following organization is considered a

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

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

Bases upon the aforementioned criteria, the District has one component unit as listed below:

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

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

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

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

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

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

B. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District’s policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District’s policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The School District reports the following 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 noninstructional equipment which are classified in the capital outlay sub-fund.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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 the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

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

C. Proprietary Fund Financial Statements

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

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

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

The School District reports the following major proprietary funds:

Enterprise – The enterprise fund is used to account for the operation that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

services are financed primarily through user charges; or, where the District has decided that periodic determination of revenue, earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

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

D. Fiduciary Fund Financial Statements

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

The School District reports the following fiduciary funds:

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

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

Agency Funds - Agency funds (payroll and student activity funds) are assets held by a governmental entity either as trustee or as an agent for other parties and cannot be used to finance the governmental entities own operating programs.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the

GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, 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 accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

Inventories

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

Interfund Receivables/Payables

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. As previously mentioned, 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 in the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

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

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the 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 absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Estimates

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

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Deferred Outflows and Deferred Inflows of Resources

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

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

Deferred Loss on Refunding Debt

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

Bond Premiums, Discounts and Issuance Costs

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

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

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

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

School District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified 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 acquisition, construction, or improvement of those assets.
- Restricted – This component of 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 laws or regulations of other governments.
- Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2017:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The adoption of this Statement had no impact on the School District's financial statements

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. The adoption of this Statement had no impact on the School District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The adoption of this Statement had no impact on the School District's financial statements.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The adoption of this Statement had no impact on the School District's financial statements.

Recently Issued Accounting Pronouncements

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

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

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

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

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

Statement No. 83, *Certain Asset Retirement Obligations*. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 85, *Omnibus 2017*. This Statement provides guidance that addresses several different accounting and financial reporting issues identified during the implementation and application of other GASB pronouncements. The guidance in Statement No. 85 is effective for periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 86, *Accounting for Certain Debt Extinguishment*. Statement No. 86 provides guidance for transactions in which cash and other monetary assets acquired with only existing resources, that is, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. Statement No. 86 is effective for reporting periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after December 15, 2019. Management does not expect this Statement to have a material impact on the School District's financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2017, the School District's bank balance of \$7,792,469 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 6,695,978
Uninsured and Uncollateralized	<u>1,096,491</u>
	<u>\$ 7,792,469</u>

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 2. Deposits and Investments (continued)

Investments

The School District had no investments at June 30, 2017.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District on October 10, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, 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 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

<u>Capital Reserve</u>	
Beginning Balance, July 1, 2016	\$ 2,900,696
Increased by:	
Interest Earnings	<u>5,488</u>
Ending Balance, June 30, 2017	<u>\$ 2,906,184</u>

Note 4. Accounts Receivable

Accounts receivable at June 30, 2017 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2017, consisted of the following:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 4. Accounts Receivable (continued):

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Adult Education</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ 10,873	\$ -	\$ 10,873	\$ -	\$ -
State Awards	44,759	2,779	47,538	-	-
Tuition	249,447	-	249,447	34,889	34,889
Other	42,494	-	42,494	-	-
Total	\$ 347,573	\$ 2,779	\$ 350,352	\$ 34,889	\$ 34,889

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2017 was as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance June 30, 2017</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 379,000	\$ -	\$ -	\$ 379,000
Total Capital Assets not being depreciated	379,000	-	-	379,000
Capital Assets being depreciated:				
Land Improvements	6,242,730	1,163,389	24,201	7,430,320
Buildings and Improvements	74,252,350	533,061	-	74,785,411
Equipment	9,019,299	1,019,228	183,253	10,221,780
Total Capital Assets being depreciated	89,514,379	2,715,678	207,454	92,437,511
Less: Accumulated Depreciation:				
Land Improvements	(3,172,556)	(355,098)	-	(3,527,654)
Buildings and Improvements	(33,360,756)	(1,573,009)	-	(34,933,765)
Equipment	(5,420,478)	(613,743)	6,029	(6,028,192)
Total Accumulated Depreciation	(41,953,790)	(2,541,850)	6,029	(44,489,611)
Total Capital Assets being depreciated, net	47,560,589	173,828	213,483	47,947,900
Total Governmental Activities Capital Assets, net	\$ 47,939,589	\$ 173,828	\$ 213,483	\$ 48,326,900

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 5. Capital Assets (continued):

	Balance July 1, <u>2016</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2017</u>
Business-Type Activities:				
Equipment	14,356	-	-	14,356
	<hr/> 14,356	<hr/> -	<hr/> -	<hr/> 14,356
Less: Accumulated Depreciation:				
Equipment	(5,742)	(1,435)	-	(7,177)
	<hr/> (5,742)	<hr/> (1,435)	<hr/> -	<hr/> (7,177)
Total Business-Type Activities Capital Assets, net	<hr/> <u>\$ 8,614</u>	<hr/> <u>\$ (1,435)</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 7,179</u>

Depreciation expense was not allocated among the various functions/programs of the School District.

Note 6. Interfund Receivables, Payables and Transfers

There were no individual interfund receivables/payables balances at June 30, 2017.

Note 7. Long-Term and Short-Term Obligations

Long-Term

During the fiscal year-ended June 30, 2017 the following changes occurred in long-term obligations for the governmental activities:

	Balance July 1, 2016	<u>Additions</u>	<u>Reductions</u>	Balance June 30, 2017	Balance Due Within <u>One Year</u>
Governmental Activities:					
Compensated Absences	\$ 1,950,469	\$ 23,782	\$ -	\$ 1,974,251	\$ -
Net Pension Liability	14,238,819	6,031,507	-	20,270,326	-
	<hr/> <u>\$ 16,189,288</u>	<hr/> <u>\$ 6,055,289</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 22,244,577</u>	<hr/> <u>\$ -</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences and net pension liability are liquidated by the general fund.

Bonds Authorized but not Issued

As of June 30, 2017, the School District had no bonds authorized but not issued.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 7. Long-Term and Short-Term Obligations (continued):

Short-Term

During the fiscal year-ended June 30, 2017 the following changes occurred in short-term obligations for the governmental activities:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
Line of Credit	\$ -	\$ 2,900,000	\$ 2,900,000	\$ -	\$ -
	<u>\$ -</u>	<u>\$ 2,900,000</u>	<u>\$ 2,900,000</u>	<u>\$ -</u>	<u>\$ -</u>

Line of Credit

The district was issued a line of credit from Investors Bank with a principal amount of \$4,600,000 for a one year term with a prime interest rate on October 4, 2016. The district drew down \$2,900,000 on November 30, 2016 and repaid the outstanding balance on January 12, 2017. As of June 30, 2017 there was no outstanding payable amounts.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

The following represents the membership tiers for PERS:

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

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 8. Pension Plans (continued)

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

years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2017, the School District reported a liability of 20,270,326 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The School District's proportion measured as of June 30, 2016, was .06844%, which was an increase of .00502% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School District recognized full accrual pension expense of \$2,156,110 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date. At June 30, 2017 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 376,967	\$ -
Changes of Assumptions	4,198,929	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	772,926	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	1,221,596	229,441
School District contributions subsequent to measurement date	<u>690,000</u>	<u>-</u>
	<u>\$ 7,260,418</u>	<u>\$ 229,441</u>

\$690,000 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2016-2017 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2018 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2018	\$ 1,400,004
2019	1,400,004
2020	1,567,913
2021	1,370,059
2022	<u>602,997</u>
	<u>\$ 6,340,977</u>

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	-
June 30, 2015	5.00	-
June 30, 2016	5.00	-

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for the 2016, 2015, and 2014 amounts, respectively.

Actuarial Assumptions – The collective total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2016, calculated using the discount rate of 3.98% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

	At 1% Decrease (<u>2.98%</u>)	At Current Discount Rate (<u>3.98%</u>)	At 1% Increase (<u>4.98%</u>)
School District's Proportionate Share of the Net Pension Liability	<u>\$ 24,838,918</u>	<u>\$ 20,270,326</u>	<u>\$ 16,498,556</u>

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2017 and 2016:

	<u>6/30/2017</u>	<u>6/30/2016</u>
Collective Deferred Outflows of Resources	\$ 7,815,204,785	\$ 2,946,265,815
Collective Deferred Inflows of Resources	\$ -	\$ 360,920,604
Collective Net Pension Liability	\$ 29,617,131,759	\$ 22,447,996,119
 School District's portion	 0.06844%	 0.06343%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.2% in State fiscal year 2017. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2016 was \$103,775,725. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2016, the State proportionate share of

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

the TPAF net pension liability attributable to the School District was .1319879710%, which was an increase of .000809% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized \$1,501,988 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on generational basis based on a 60-year average of Social Security data from 1953 to 2013.

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount Rate - The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 3.22% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

	At 1% Decrease <u>(2.22%)</u>	At Current Discount Rate <u>(3.22%)</u>	At 1% Increase <u>(4.22%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 123,931,407	\$ 103,775,725	\$ 87,316,010
	<u>\$ 123,931,407</u>	<u>\$ 103,775,725</u>	<u>\$ 87,316,010</u>

Pension Plan Fiduciary Net Position - 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.

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2017, employee contributions totaled \$13,622 and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$7,290.

Note 9. State Post-Retirement Medical Benefits

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, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 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 (APB) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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 at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2017, the on-behalf payments for normal costs, post-retirement medical costs, and long-term disability were \$1,501,988, \$1,251,497 and \$3,086, respectively.

Note 11. Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the School 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 School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ 57,705	\$ 1,261	\$ 89,435	\$ 657,668
2015-2016	56,587	455	104,764	688,137
2014-2015	69,246	745	84,164	735,859

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

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2017 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts' attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 12. Contingencies (continued)

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District's programs and activities.

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable Life
Brighthouse Financial-previously Metlife
GWN Marketing
Life of Southwest
Lincoln Investment
Variable Life Annuity

Note 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 varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with School Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2017, the liability for compensated absences reported on the government-wide on the Statement of Net Position was \$1,974,251.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 15. Tax Abatements (continued)

district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 16. Commitments

The School District has contractual commitments at June 30, 2017 to various vendors, which are recorded in the general fund as assigned to other purposes in the amount of \$442,891.

Note 17. Fund Balances

General Fund – Of the \$3,471,589 General Fund fund balance at June 30, 2017, \$2,906,184 has been restricted for the Capital Reserve Account; \$442,891 has been assigned to other purposes; and \$122,514 has been unassigned.

Capital Projects Fund – Of the \$351,004 Capital Projects Fund fund balance at June 30, 2017, \$351,004 is restricted for future capital projects approved by the School District.

Note 18. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$15,338,195 at June 30, 2017. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2017.

Note 19. Operating Leases

The School District has commitments to lease 9 pieces of equipment under operating leases. Total lease payments made during the year ended June 30, 2017 amounted to \$60,882. Future minimum lease payments are as follows:

Fiscal Year Ending <u>June 30,</u>	
2018	\$ 27,393
2019	16,997
2020	9,127
2021	<u>3,537</u>
Total Minimum Lease Payments	<u>\$ 57,054</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Sources:						
County Appropriations	10-1210	\$ 15,894,974	\$ -	\$ 15,894,974	\$ 14,929,750	\$ (965,224)
Tuition from LEA's	10-1300	6,818,700	-	6,818,700	6,710,366	(108,334)
Use of Facilities	10-1990	25,000	-	25,000	40,503	15,503
Other Local Revenue/Miscellaneous	10-1XXX	50,000	-	50,000	110,985	60,985
Interest Earned on Capital Reserve Funds	10-XXXX	4,000	-	4,000	5,488	1,488
Total Local Sources		22,792,674	-	22,792,674	21,797,092	(995,582)
State Sources:						
Categorical Special Education Aid	10-3132	1,182,187	-	1,182,187	1,182,187	-
Equalization Aid	10-3176	13,228,997	-	13,228,997	13,228,997	-
Categorical Security Aid	10-3177	125,257	-	125,257	125,257	-
PARCC Readiness Aid	10-3181	20,760	-	20,760	20,760	-
Per Pupil Growth Aid	10-3182	20,760	-	20,760	20,760	-
Professional Learning Comm Aid	10-3183	20,700	-	20,700	20,700	-
On-behalf of TPAF Pension Contributions	10-3901	-	-	-	1,501,988	1,501,988
On-behalf of TPAF Post-Retirement Medical Contributions	10-3901	-	-	-	1,251,497	1,251,497
On-behalf of TPAF Long-Term Disability Insurance	10-3901	-	-	-	3,086	3,086
Reimbursed TPAF Social Security Contributions (Non-budgeted)	10-3902	-	-	-	927,690	927,690
Total State Sources		14,598,661	-	14,598,661	18,282,922	3,684,261
Federal Sources:						
Special Education - Medicaid Initiative	10-4200	39,787	-	39,787	45,922	6,135
Special Education - Medicaid Initiative - ARRA	10-4210	-	1,532	1,532	1,532	-
FEMA Reimbursement		-	-	-	16,630	16,630
Total Federal Services		39,787	1,532	41,319	64,084	22,765
Total Revenues		37,431,122	1,532	37,432,654	40,144,098	2,711,444

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Expenditures:						
Current Expense:						
Regular Programs - Grade 9-12 Instruction:						
Salaries of Teachers	11-140-100-101	4,861,483	81,891	4,943,374	4,922,132	21,242
Instruction Academic - Unused Sick Pay	11-140-100-299	-	14,879	14,879	14,879	-
Substitute Teachers - Salaries	11-140-100-300	360,000	(139,929)	220,071	220,071	-
Other Purchased Services	11-140-100-500	-	2,501	2,501	2,474	27
General Supplies	11-140-100-610	81,500	32,718	114,218	62,972	51,246
Textbooks	11-140-100-640	72,400	(26,664)	45,736	38,936	6,800
Home Instruction - Regular Programs:						
Salaries of Teachers	11-150-100-101	3,000	(2,592)	408	408	-
Purchased Professional Educational Services	11-150-100-300	-	11,597	11,597	10,545	1,052
Other Purchased Services	11-150-100-500	25,000	(25,000)	-	-	-
Total Regular Programs - Instruction		5,403,383	(50,599)	5,352,784	5,272,417	80,367
Resource Room:						
Salaries of Teachers	11-213-100-101	1,678,705	(184,554)	1,494,151	1,494,151	-
Other Salaries for Instruction	11-213-100-106	435,145	(88,477)	346,668	346,668	-
Unused Sick - Retire/Term	11-213-100-299	-	37,451	37,451	37,451	-
Substitute Teachers - Salaries	11-213-100-300	150,000	115,957	265,957	261,247	4,710
Total Resource Room		2,263,850	(119,623)	2,144,227	2,139,517	4,710
Total Special Education		2,263,850	(119,623)	2,144,227	2,139,517	4,710
Bilingual Education - Instruction						
Salaries of Teachers	11-240-100-101	-	27,023	27,023	27,023	-
Total Bilingual Education - Instruction		-	27,023	27,023	27,023	-

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Regular Vocational Programs - Instruction:					
Salaries of Teachers	11-310-100-101	3,971,559	(252,186)	3,719,373	-
Unused Sick Pay - Retire/Term	11-310-100-299	-	45,000	45,000	-
Substitute Teachers - Vocational/S4T	11-310-100-320	-	233,406	233,406	-
Other Purchased Services	11-310-100-500	115,000	(99,009)	15,991	3,434
General Supplies	11-310-100-610	419,000	30,672	449,672	43,781
Textbooks	11-310-100-640	59,500	(33,323)	26,177	133
Other Objects	11-310-100-800	2,000	(1,815)	185	-
Total Regular Vocational Programs - Instruction		4,567,059	(77,255)	4,489,804	47,348
Special Vocational Programs - Instruction:					
Salaries - Career Major Tutors/S4T	11-320-100-300	265,000	(93,932)	171,068	10,417
General Supplies	11-320-100-610	6,000	(2,581)	3,419	-
Textbooks	11-320-100-640	5,000	(24)	4,976	-
Total Special Vocational Programs - Instruction:		276,000	(96,537)	179,463	10,417
School Sponsored Cocurricular Activities - Instruction:					
Salaries	11-401-100-100	465,000	(108,031)	356,969	385
Other Purchased Services	11-401-100-500	5,000	123,719	128,719	1,622
Supplies & Materials	11-401-100-610	94,029	(68,737)	25,292	-
Other Objects	11-401-100-800	5,000	(3,304)	1,696	-
Total School Sponsored Cocurricular Activities		569,029	(56,353)	512,676	2,007

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
School Sponsored Athletics - Instruction:					
Salaries	11-402-100-100	442,692	24,822	467,514	-
Purchased Services	11-402-100-500	32,000	4,546	36,546	-
Supplies & Materials	11-402-100-610	87,000	(10,137)	76,863	620
Other Objects	11-402-100-800	8,000	(1,170)	6,830	-
Total School Sponsored Athletics - Instruction		569,692	18,061	587,753	620
Total Instruction		13,669,013	(350,467)	13,318,546	145,831
Before/After School Programs - Instruction					
Salaries of Program Director	11-421-100-103	20,000	4,816	24,816	362
Total Before/After School Programs		20,000	4,816	24,816	362
Undistributed Expenditures:					
Health Services:					
Salaries	11-000-213-100	132,872	(4,806)	128,066	-
Purchased Professional & Technical Services	11-000-213-330	31,500	1,763	33,263	433
Supplies & Materials	11-000-213-600	11,500	(954)	10,546	-
Total Health Services		175,872	(3,997)	171,875	433
Other Support Services - Students - Related Services:					
Salaries	11-000-216-100	80,528	(1,424)	79,104	-
Purchased Professional - Educational Services	11-000-216-320	50,000	(45,200)	4,800	432
Total Other Support Services - Students - Related - Services		130,528	(46,624)	83,904	432

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	11-000-218-104	934,699	(124,704)	809,995	809,848
Salaries of Secretarial & Clerical	11-000-218-105	167,720	808	168,528	168,528
Unused Sick Pay - Retire/Term	11-000-218-299	-	30,000	30,000	30,000
Other Purchased Services	11-000-218-500	500	-	500	476
Supplies & Materials	11-000-218-600	3,500	(1,042)	2,458	2,458
Other Objects	11-200-218-800	5,200	(159)	5,041	5,041
		1,111,619	(95,097)	1,016,522	1,016,351
Total Other Support Services - Students - Regular					171
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	11-000-219-104	727,426	79,555	806,981	806,981
Salaries of Secretarial & Clerical	11-000-219-105	167,317	(56,160)	111,157	111,157
Other Salaries	11-000-219-110	35,000	(24,987)	10,013	10,013
Purchase Professional - Educational Services	11-000-219-320	330,000	(119,731)	210,269	204,114
Other Purchased Professional & Technical Services	11-000-219-390	4,000	(3,960)	40	40
Other Purchased Services	11-000-219-500	8,500	3,064	11,564	10,403
Supplies & Materials	11-000-219-600	2,000	8,189	10,189	10,189
Other Objects	11-000-219-800	7,160	-	7,160	7,160
		1,281,403	(114,030)	1,167,373	1,160,057
Total Other Support Services - Students - Special Services					7,316

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Improvement of Instructional Services						
Salaries -Curriculum Writing	11-000-221-101	15,000	(8,623)	6,377	6,063	314
Salaries - Supervisor of Instruction	11-000-221-102	303,795	4,449	308,244	308,244	-
Salaries of Other Professional Staff	11-000-221-104	89,075	(44)	89,031	89,031	-
Salaries of Secretarial & Clerical	11-000-221-105	107,714	12,295	120,009	120,009	-
Unused Vacation Pay - Retire/Term	11-000-221-199	-	3,978	3,978	3,978	-
Purchased Tech Services						
Technical Services	11-000-221-340	93,000	(5,969)	87,031	85,316	1,715
Mileage & Travel	11-000-221-5XX	2,500	1,000	3,500	3,194	306
Other Purchased Services	11-000-221-500	25,000	16	25,016	25,016	-
Supplies & Materials	11-000-221-600	38,848	(6,526)	32,322	29,145	3,177
Miscellaneous Expenses	11-000-221-890	4,195	2,157	6,352	6,352	-
Total Improvement of Instructional Services		679,127	2,733	681,860	676,348	5,512
Educational Media Services/School Library:						
Salaries	11-000-222-100	122,247	(3,780)	118,467	118,467	-
Other Purchased Services	11-000-222-500	8,500	(5,185)	3,315	3,315	-
Supplies & Materials	11-000-222-600	20,500	(2,864)	17,636	16,223	1,413
Other Objects	11-000-222-800	2,000	(1,935)	65	65	-
Total Educational Media Services/School Library		153,247	(13,764)	139,483	138,070	1,413
Instructional Staff Training Services:						
Salaries	11-000-223-100	8,000	(8,000)	-	-	-
Purchased Professional - Educational Services	11-000-223-320	20,000	(305)	19,695	19,695	-
Other Purchased Professional & Technical Services	11-000-223-390	17,618	(13,623)	3,995	3,995	-
Other Purchased Services	11-000-223-500	4,500	-	4,500	504	3,996
Total Instructional Staff Training Services		50,118	(21,928)	28,190	24,194	3,996

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Support Services General Administration:					
Salaries	11-000-230-100	186,955	207	187,162	187,162
Other Purchased Professional Services	11-000-230-300	45,000	(16,324)	28,676	25,108
Legal Services	11-000-230-331	150,000	28,110	178,110	174,559
Audit Services	11-000-230-332	57,750	(50)	57,700	52,500
Communications/Telephone	11-000-230-530	44,633	164,362	208,995	205,580
BOE Other Purchased Services	11-000-230-585	22,000	(7,888)	14,112	13,836
General Supplies	11-000-230-610	8,530	5,653	14,183	13,397
Miscellaneous Expenditures	11-000-230-890	9,736	29,444	39,180	38,891
Total Support Services General Administration		524,604	203,514	728,118	711,033
Support Services School Administration:					
Salaries of Principals & Assistant Principals	11-000-240-103	934,555	27,875	962,430	962,430
Salaries of Secretarial & Clerical Assistants	11-000-240-105	590,264	(23,605)	566,659	566,659
SCH Adm - Unused Vacation Pay	11-000-240-199	-	13,807	13,807	13,807
Unused Vacation Pay	11-000-240-299	-	20,865	20,865	20,865
Other Purchased Professional Services	11-000-240-300	25,000	(203)	24,797	24,797
Outside Workshops	11-000-240-390	1,500	(600)	900	721
Other Purchased Services	11-000-240-500	92,700	1,020	93,720	89,832
Supplies & Materials	11-000-240-600	57,000	3,700	60,700	60,034
Other Objects	11-000-240-800	11,900	(3,485)	8,415	8,415
Total Support Services School Administration		1,712,919	39,374	1,752,293	1,747,560
					4,733

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Central Services:					
Salaries	11-000-251-100	661,802	19,584	681,386	681,327
Other Purchased Professional Services	11-000-251-330	40,000	1,603	41,603	31,970
Purchased Technical Services	11-000-251-340	36,750	(1,275)	35,475	34,305
Supplies and Materials	11-000-251-600	102,250	(102,250)	-	-
Interest on Current Loans	11-000-251-831	-	13,291	13,291	13,291
Shared Service Agreement - County Board of Freeholders	11-000-251-897	2,000,000	1,000,000	3,000,000	3,000,000
Total Central Services		2,840,802	930,953	3,771,755	3,760,893
Information Technology:					
Salaries	11-000-252-100	-	77,009	77,009	77,009
Purchased Technical Services	11-000-252-340	614,145	(130,502)	483,643	474,501
Communications	11-000-252-530	145,500	(145,500)	-	-
Non Instructional Mileage & Travel	11-000-252-580	1,500	(1,500)	-	-
General Supplies	11-000-252-610	62,887	207,521	270,408	231,583
Miscellaneous Expenditures	11-000-252-800	1,000	(1,000)	-	-
Total Information Technology Services		825,032	6,028	831,060	783,093
Operation & Maintenance of Plant:					
Required Maintenance for School Facilities:					
Salaries	11-000-261-100	64,648	(1,145)	63,503	63,503
Other Purchased Professional Services	11-000-261-300	50,000	(15,410)	34,590	34,588
Cleaning, Repair & Maintenance Services	11-000-261-420	276,933	111,225	388,158	382,347
Lead Test - Water	11-000-261-421	-	5,517	5,517	5,172
Travel & Mileage	11-000-261-580	-	500	500	500
General Supplies	11-000-261-610	247,900	36,818	284,718	256,594
Other Objects	11-000-261-800	57,352	(56,556)	796	796
Total Allowable Maintenance for School Facilities		696,833	80,949	777,782	743,500
Total					34,282

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
JUNE 30, 2017						
Other Operation & Maintenance of Plant:						
Salaries	11-000-262-100	1,769,638	(218,428)	1,551,210	1,501,182	50,028
Unused Vacation Pay	11-000-262-199	-	9,102	9,102	9,102	-
Unused Sick Pay	11-000-262-299	-	4,939	4,939	4,939	-
Other Purchased Professional Services	11-000-262-300	120,000	(46,788)	73,212	68,855	4,357
Cleaning, Repair & Maintenance Services	11-000-262-420	29,700	(15,152)	14,548	13,985	563
Other Purchased Property Services	11-000-262-490	115,500	(17,134)	98,366	97,940	426
Insurance	11-000-262-520	741,317	(84,930)	656,387	656,299	88
General Supplies	11-000-262-610	97,534	73,606	171,140	154,091	17,049
Energy (Natural Gas)	11-000-262-621	231,000	(161,618)	69,382	64,876	4,506
Energy (Electric)	11-000-262-622	1,806,692	(637,262)	1,169,430	1,136,604	32,826
Other Objects	11-000-262-800	1,500	(1,500)	-	-	-
Total Other Operation & Maintenance of Plant		4,912,881	(1,095,165)	3,817,716	3,707,873	109,843
Security						
Purchased Professional & Technical Services	11-000-266-300	606,736	2,230	608,966	587,450	21,516
General Supplies	11-000-266-600	30,000	250,712	280,712	205,188	75,524
Total Security		636,736	252,942	889,678	792,638	97,040
Total Operation & Maintenance of Plant		6,246,450	(761,274)	5,485,176	5,244,011	241,165
Student Transportation Services:						
Salaries for Pupil Transportation - (Other Than Between Home & School)	11-000-270-162	163,800	149,993	313,793	313,775	18
Contracted Services - (Other Than Between Home & School) Vendors	11-000-270-512	73,000	4,065	77,065	72,552	4,513
Transportation Supplies		-	-	-	-	-
Total Student Transportation Services		236,800	154,058	390,858	386,327	4,531

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Unallocated Benefits - Employee Benefits:						
Social Security	11-000-291-220	711,875	(136,026)	575,849	575,849	-
Other Retirement Contributions	11-000-291-241	665,000	-	665,000	664,518	482
Health Benefits	11-000-291-270	5,822,733	(955,250)	4,867,483	4,854,376	13,107
Tuition Reimbursements	11-000-291-280	75,000	6,198	81,198	81,198	-
Total Unallocated Benefits		7,274,608	(1,085,078)	6,189,530	6,175,941	13,589
Total Personal Services - Employee Benefits		7,274,608	(1,085,078)	6,189,530	6,175,941	13,589
Nonbudgeted:						
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	3,086	(3,086)
On-Behalf TPAF Pension Contribution		-	-	-	1,501,988	(1,501,988)
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	1,251,497	(1,251,497)
Reimbursed TPAF Social Security Contributions		-	-	-	927,690	(927,690)
Total Undistributed Expenditures		23,243,129	(805,132)	22,437,997	25,763,053	(3,325,056)
Total Expenditures - Current Expense		36,912,142	(1,155,599)	35,756,543	38,935,768	(3,179,225)
Capital Outlay:						
Equipment:						
Grades 9-12	12-140-100-730	2,000	144	2,144	2,144	-
Vocational Programs - Regular Programs	12-310-100-730	5,000	110,716	115,716	115,716	-
Undistributed Expenditures:						
Business Office	12-000-251-730	-	2,246	2,246	2,246	-
Information Technology	12-000-252-730	-	137,072	137,072	122,034	15,038

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Capital Outlay (continued):					
Building & Grounds	12-000-260-730	35,100	122,295	157,395	134,775
Security	12-000-266-730	15,000	(7,525)	7,475	7,475
School Vehicles	12-000-270-730	-	486,322	486,322	486,322
Total Equipment		57,100	851,270	908,370	870,712
Facilities Acquisition & Construction Services:					
Construction Services	12-000-400-450	206,867	1,564,717	1,771,584	1,594,504
Architectural/Engineering Services	12-000-400-334	15,000	29,275	44,275	44,273
Assessment for Debt Service on SDA Funding	12-000-400-896	236,013	-	236,013	236,013
Capital Reserve & Interest	12-000-400-931	4,000	-	4,000	-
Total Facilities Acquisition & Construction Services		461,880	1,593,992	2,055,872	1,874,790
Total Capital Outlay		518,980	2,445,262	2,964,242	2,745,502
General Fund Grand Total Expenditures		37,431,122	1,289,663	38,720,785	41,681,270
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		-	(1,288,131)	(1,288,131)	(1,537,172)
Other Financing Sources/(Uses):					
Cancellation of Prior Year Accounts Payable		-	-	-	137,634
Total Other Financing Sources/(Uses)		-	-	-	137,634

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCOUNT NUMBERS	JUNE 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Excess/(Deficiency) of Revenues & Other Financing Sources/(Uses) Over/(Under) Expenditures & Other Financing Uses Fund Balances, July 1	-	(1,288,131)	(1,288,131)	(1,399,538)
	6,302,371	-	6,302,371	6,302,371
Fund Balances, June 30	\$ 6,302,371	\$ (1,288,131)	\$ 5,014,240	\$ 4,902,833
	<u>\$ 6,302,371</u>		<u>\$ 5,014,240</u>	<u>\$ (111,407)</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 1,288,131
Total Budget Transfers	<u>\$ 1,288,131</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:		
Capital Reserve	\$ 2,906,184	
Assigned Fund Balance:		
ARRA - Special Education - Medicaid Initiative	7,585	
Year-end Encumbrances	435,306	
Unassigned Fund Balance	<u>1,553,758</u>	
Subtotal	<u>4,902,833</u>	
Reconciliation to Governmental Fund Statements (GAAP):		
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(1,431,244)</u>	
Fund Balance per Governmental Funds (GAAP)	<u>\$ 3,471,589</u>	

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	JUNE 30, 2017				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
State Sources	\$ -	\$ 114,137	\$ 114,137	\$ 114,137	\$ -
Federal Sources	907,896	532,074	1,439,970	1,439,970	-
Total Revenues	907,896	646,211	1,554,107	1,554,107	-
EXPENDITURES:					
Instruction:					
Salaries of Teachers	677,871	163,485	841,356	841,356	-
Instruction Purchased Services	-	14,859	14,859	14,859	-
General Supplies	194,773	96,446	291,219	291,219	-
Total Instruction	872,644	274,790	1,147,434	1,147,434	-
Support Services:					
Salaries	-	13,757	13,757	13,757	-
Personal Services - Employee Benefits	35,252	87,679	122,931	122,931	-
Purchased Professional - Educational Services	-	3,779	3,779	3,779	-
Other Purchased Services (400-500 Series)	-	45,702	45,702	45,702	-
Travel Expenses	-	186	186	186	-
Miscellaneous	-	3,923	3,923	3,923	-
Supplies & Materials	-	10,206	10,206	10,206	-
Total Support Services	35,252	165,232	200,484	200,484	-
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	206,189	206,189	206,189	-
Total Facilities Acquisition & Construction Services	-	206,189	206,189	206,189	-
Total Expenditures	907,896	646,211	1,554,107	1,554,107	-
Total Outflows	907,896	646,211	1,554,107	1,554,107	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 40,144,098	\$ 1,554,107
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,434,519	-
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP, which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(1,431,244)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 40,147,373</u>	<u>\$ 1,554,107</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 41,681,270	\$ 1,554,107
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	-
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 41,681,270</u>	<u>\$ 1,554,107</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST FOUR FISCAL YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.06844%	0.06343%	0.06020%	0.06244%
School District's proportionate share of the net pension liability	\$ 20,270,326	\$ 14,238,819	\$ 11,270,221	\$ 11,934,066
School District's covered payroll	\$ 4,389,877	\$ 4,399,282	\$ 4,152,325	unavailable
School District's proportionate share of the net pension liability as a percentage of its covered payroll	461.75%	324.36%	256.18%	287.41%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	52.08%	48.72%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST FOUR FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's contractually required contribution	\$ 690,000	\$ 608,022	\$ 545,330	496,242
Contributions in relation to the contractually required contribution	<u>(690,000)</u>	<u>(608,022)</u>	<u>(545,330)</u>	<u>(496,242)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,307,524	\$ 4,389,877	\$ 4,399,282	\$ 4,152,325
Contributions as a percentage of covered payroll	-16.02%	-13.85%	-12.40%	-11.95%

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST FOUR FISCAL YEARS*

	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	<u>\$ 103,775,725</u>	<u>\$ 82,910,065</u>	<u>\$ 75,768,194</u>	<u>\$ 77,761,685</u>
	<u>\$ 103,775,725</u>	<u>\$ 82,910,065</u>	<u>\$ 75,768,194</u>	<u>\$ 77,761,685</u>
School District's covered payroll	\$ 13,164,356	\$ 13,172,559	\$ 13,063,198	unavailable
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.13% as of June 30, 2015, to 3.22% as of June 30, 2016.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.90 % as of June 30, 2015, to 3.98% as of June 30, 2016.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	TITLE I	TITLE II PART A	IDEA PART B
Revenues:			
Federal Sources	\$ 618,928	\$ 44,796	\$ 498,113
State Sources	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	<u>\$ 618,928</u>	<u>\$ 44,796</u>	<u>\$ 498,113</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 313,505	\$ 29,738	\$ 498,113
Instruction Purchased Services	2,208	-	-
General Supplies	129,068	-	-
	<hr/>	<hr/>	<hr/>
Total Instruction	<u>444,781</u>	<u>29,738</u>	<u>498,113</u>
Support Services:			
Salaries	4,017	-	-
Personal Services -			
Employee Benefits	111,187	11,744	-
Purchased Professional -			
Educational Services	3,400	-	-
Other Purchased Services (400-500 Series)	41,634	3,314	-
Travel Expenses	-	-	-
Miscellaneous	3,923	-	-
Supplies & Materials	5,736	-	-
	<hr/>	<hr/>	<hr/>
Total Support Services	<u>169,897</u>	<u>15,058</u>	<u>-</u>
Facilities Acquisition & Construction Services:			
Instructional Equipment	4,250	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 618,928</u>	<u>\$ 44,796</u>	<u>\$ 498,113</u>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	PERKINS SECONDARY	PERKINS POST SECONDARY	APPRENTICE COORDINATOR	TOTALS
Revenues:				
Federal Sources	\$ 278,133	\$ -	\$ -	\$ 1,439,970
State Sources	-	99,137	15,000	114,137
	<hr/>			
Total Revenues	\$ 278,133	\$ 99,137	\$ 15,000	\$ 1,554,107
	<hr/>			
Expenditures:				
Instruction:				
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 841,356
Instruction Purchased Services	10,711	1,940	-	14,859
General Supplies	149,752	12,399	-	291,219
	<hr/>			
Total Instruction	160,463	14,339	-	1,147,434
	<hr/>			
Support Services:				
Salaries	-	-	9,740	13,757
Personal Services - Employee Benefits	-	-	-	122,931
Purchased Professional - Educational Services	379	-	-	3,779
Other Purchased Services (400-500 Series)	-	150	604	45,702
Travel Expenses	-	-	186	186
Miscellaneous	-	-	-	3,923
Supplies & Materials	-	-	4,470	10,206
	<hr/>			
Total Support Services	379	150	15,000	200,484
	<hr/>			
Facilities Acquisition & Construction Services:				
Instructional Equipment	117,291	84,648	-	206,189
	<hr/>			
Total Expenditures	\$ 278,133	\$ 99,137	\$ 15,000	\$ 1,554,107
	<hr/>			

F. Capital Projects Fund

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES FOR MANAGED CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2017**

PROJECT TITLE	DATE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2017
			PRIOR YEARS	CURRENT YEAR	
Reroofing of Medford Campus	01/06/2014	\$ 2,059,377	\$ 1,483,661	\$ -	\$ 575,716
Total			\$ 1,483,661	\$ -	\$ 575,716
Reconciliation - Unexpended Capital Project					
<u>Balances to Fund Balance - June 30, 2017:</u>					
			Unexpended Project Balances June 30, 2017		\$ 575,716
Less:					
			Unexpended State Aid - ROD Grants		<u>(224,712)</u>
			Total Fund Balance (GAAP Basis) - June 30, 2017		<u>\$ 351,004</u>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Fund Balance - Beginning	<u>\$ 575,716</u>
Fund Balance - Ending	<u><u>\$ 575,716</u></u>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
REROOFING OF MEDFORD CAMPUS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 823,751	\$ -	\$ 823,751	\$ 823,751
Transfer from General Fund	1,235,626	-	1,235,626	1,235,626
Total Revenues	2,059,377	-	2,059,377	2,059,377
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	199,871	-	199,871	199,871
Construction Services	1,297,726	-	1,297,726	1,859,506
Cancellation of Prior Year AR and AP	(13,936)	-	(13,936)	-
Total Expenditures	1,483,661	-	1,483,661	2,059,377
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 575,716	\$ -	\$ 575,716	\$ -

Additional Project Information:

Project Number	0610-040-13-1001
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorization	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 2,059,377
Additional Authorized Cost	-
Revised Authorized Cost	2,059,377
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	72.04%
Original Target Completion Date	06/26/14
Revised Target Completion Date	06/30/15

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G. Proprietary Funds

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Enterprise Funds

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

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

ASSETS	PRIVATE PURPOSE	AGENCY FUNDS		TOTALS
	UNEMPLOYMENT COMPENSATION INSURANCE	STUDENT ACTIVITY	PAYROLL	
Assets:				
Cash & Cash Equivalents	\$ 659,079	\$ 93,104	\$ 276,208	\$ 1,028,391
Total Assets	<u>659,079</u>	<u>93,104</u>	<u>276,208</u>	<u>1,028,391</u>
LIABILITIES				
Liabilities:				
Unemployment Claims Payable	1,411	-	-	1,411
Payroll Deductions & Withholdings	-	-	160,446	160,446
Due to Employees	-	-	115,762	115,762
Due to Student Groups	-	93,104	-	93,104
Total Liabilities	<u>1,411</u>	<u>93,104</u>	<u>276,208</u>	<u>370,723</u>
NET POSITION				
Restricted	<u>657,668</u>	-	-	657,668
Total Net Position	<u>\$ 657,668</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 657,668</u>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2017**

	PRIVATE PURPOSE <u>UNEMPLOYMENT COMPENSATION INSURANCE</u>	TOTALS
Additions:		
Local Sources:		
Employee Salary Deductions	\$ 57,705	\$ 57,705
Total Operating Revenues	<u>57,705</u>	<u>57,705</u>
Other Sources:		
Interest on Investments	<u>1,261</u>	<u>1,261</u>
Total Additions	<u>58,966</u>	<u>58,966</u>
Deductions:		
Unemployment Compensation Insurance Claims	<u>89,435</u>	<u>89,435</u>
Change in Net Position	(30,469)	(30,469)
Net Position, July 1	<u>688,137</u>	<u>688,137</u>
Net Position, June 30	<u>\$ 657,668</u>	<u>\$ 657,668</u>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BALANCE JULY 1, 2016	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2017
Westampton Campus	\$ 36,117	\$ 140,081	\$ 136,092	\$ 40,106
Medford Campus	66,724	191,135	204,861	52,998
Total Student Activity	\$ 102,841	\$ 331,216	\$ 340,953	\$ 93,104

**PAYROLL FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ASSETS	BALANCE JULY 1, 2016	ADDITIONS	DISBURSEMENTS	BALANCE JUNE 30, 2017
Cash & Cash Equivalents	\$ 150,411	\$ 23,095,859	\$ 22,970,062	\$ 276,208
Total Assets	\$ 150,411	\$ 23,095,859	\$ 22,970,062	\$ 276,208
LIABILITIES				
Payroll Deductions & Withholdings	\$ 150,411	\$ 10,547,742	\$ 10,537,707	\$ 160,446
Due to Employees - Summary Pay	-	211,418	95,656	115,762
Net Payroll	-	12,336,699	12,336,699	-
Total Liabilities	\$ 150,411	\$ 23,095,859	\$ 22,970,062	\$ 276,208

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I. Long-Term Debt

Not Applicable

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STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities:										
Net Investment in Capital Assets	\$ 48,326,900	\$ 47,939,589	\$ 48,634,698	\$ 46,238,987	\$ 48,753,045	\$ 49,607,466	\$ 49,771,810	\$ 50,971,703	\$ 51,282,168	\$ 55,832,472
Restricted	3,257,188	4,547,416	4,959,664	3,677,889	2,730,958	1,402,644	1,465,295	897,677	1,570,540	718,480
Unrestricted	(15,338,195)	(13,660,257)	(13,203,076)	(664,447)	(776,970)	(728,879)	(828,559)	(1,373,550)	(803,548)	462,793
Total Governmental Activities	\$ 36,245,893	\$ 38,826,748	\$ 40,391,286	\$ 49,252,429	\$ 50,707,033	\$ 50,281,231	\$ 50,408,546	\$ 50,495,830	\$ 52,049,160	\$ 57,013,745
Business-Type Activities:										
Net Investment in Capital Assets	\$ 7,180	\$ 8,613	\$ 10,048	\$ 11,484	\$ 12,920	\$ 14,356	\$ -	\$ -	\$ -	\$ 214,087
Unrestricted	141,531	561,944	812,121	1,164,659	1,399,848	1,362,480	1,255,691	1,020,181	839,025	717,217
Total Business-Type Activities	\$ 148,711	\$ 570,557	\$ 822,169	\$ 1,176,143	\$ 1,412,768	\$ 1,376,836	\$ 1,255,691	\$ 1,020,181	\$ 839,025	\$ 931,304
District-Wide:										
Net Investment in Capital Assets	\$ 48,334,080	\$ 47,948,202	\$ 48,644,746	\$ 49,250,471	\$ 48,765,965	\$ 49,621,822	\$ 49,771,810	\$ 50,971,703	\$ 51,282,168	\$ 56,046,559
Restricted	3,257,188	4,547,416	4,959,664	3,677,889	2,730,958	1,402,644	1,465,295	897,677	1,570,540	718,480
Unrestricted	(15,196,664)	(13,098,313)	(12,390,955)	500,212	622,878	633,601	427,132	(353,369)	35,477	1,180,010
Total District Net Position	\$ 36,394,604	\$ 39,397,305	\$ 41,213,455	\$ 53,428,572	\$ 52,119,801	\$ 51,658,067	\$ 51,664,237	\$ 51,516,011	\$ 52,888,185	\$ 57,945,049

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 6,419,851	\$ 6,140,935	\$ 6,261,811	\$ 6,371,951	\$ 6,720,320	\$ 6,648,185	\$ 6,048,729	\$ 5,853,212	\$ 6,133,778	\$ 6,315,255
Special	2,139,517	2,209,892	2,127,520	-	-	121,124	67,646	92,558	79,247	92,118
Other Special Educational Instruction	4,611,502	4,618,686	4,491,980	7,475,403	7,101,317	7,481,269	8,184,758	8,217,224	8,014,830	7,865,784
Vocational	1,149,279	1,147,632	1,096,561	1,335,352	1,357,943	1,325,872	1,396,972	1,350,422	1,336,051	1,371,038
Other	3,347,487	3,863,450	3,356,321	3,132,509	2,817,240	3,003,258	2,996,133	3,397,079	2,823,190	2,885,354
Support Services:										
Student & Instruction Related Services	711,033	669,675	472,789	673,373	691,287	711,855	949,840	1,007,380	920,625	1,039,938
Other Administrative Services	6,291,546	5,450,637	5,950,198	2,861,090	2,709,515	3,112,514	2,620,947	3,188,396	2,385,401	2,855,754
School Administrative Services	5,244,011	5,312,351	5,723,616	5,652,374	5,043,336	5,101,692	5,269,878	5,402,894	5,557,227	5,279,888
Plant Operations & Maintenance	386,327	266,207	227,069	224,603	175,302	215,929	230,354	221,492	199,452	270,847
Student Transportation	-	-	-	-	-	-	-	-	-	-
Business & Other Support Services	3,684,261	14,041,522	11,822,122	8,177,642	8,540,689	8,628,082	7,677,745	7,570,659	7,522,547	7,930,367
On-Behalf/TPAF Pension and Social	7,870,775	94,168	-	-	-	-	1,203	1,589,483	1,812,123	1,913,351
Employee Benefits	236,013	236,013	236,013	2,236,013	2,153,063	2,011,529	191,780	1,200,000	-	-
Special Schools	-	119,224	400,465	48,091	53,826	(47,604)	(65,509)	12,438	402,392	-
Contribution for County Debt Service	(213,482)	-	-	-	(24,132)	(788,067)	-	-	-	-
Increase In Compensated Absences	2,541,849	3,386,374	2,885,486	947,855	2,562,851	2,439,823	2,285,883	2,285,883	2,285,883	-
Adjustment To Fixed Assets	-	-	-	-	-	-	-	-	-	-
Unallocated Depreciation	44,419,969	47,556,766	45,051,951	39,136,256	39,902,557	39,975,018	37,864,141	41,398,305	40,157,725	38,594,065
Business-Type Activities:										
Food Service	1,214,964	1,289,212	1,261,877	915,279	834,659	882,459	838,445	831,888	851,636	778,532
School Store	-	-	-	49,515	59,256	74,601	37,100	50,282	100,595	96,960
Adult Education Programs	1,349,481	1,405,586	1,295,334	1,122,879	1,484,265	964,201	1,109,821	719,227	852,612	888,940
Culinary Arts	-	-	-	113,983	99,065	78,759	98,829	81,379	96,542	133,701
Beaver's Den Child Care	183,677	178,374	185,651	151,021	145,780	170,893	163,530	139,586	166,557	176,509
Summer Camps	51,772	38,562	-	-	-	-	44,728	30,037	27,896	28,360
Educational Technology Training Center	-	-	-	-	-	414	-	-	19,677	20,197
Youth Transition to Work	-	-	-	-	-	566	-	115	-	-
Emergency Services Training Center	-	-	-	104,656	114,321	124,813	125,814	134,367	134,909	122,331
Culinary Express	-	-	-	13,863	7,061	3,051	4,877	-	-	-
Print Shop	-	-	-	23,318	5,545	1,159	144	651	-	5,066
Auto Body	-	-	-	4,315	4,683	-	-	-	-	-

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Business-Type Activities Expense	\$ 2,799,894	\$ 2,911,734	\$ 2,742,862	\$ 2,498,829	\$ 2,754,635	\$ 2,300,916	\$ 2,423,288	\$ 1,987,532	\$ 2,250,404	\$ 2,250,596
Total District Expenses	47,219,863	50,468,500	47,794,813	41,635,085	42,657,192	42,275,934	40,287,429	43,385,837	42,408,129	40,844,661
Revenues:										
Operating Grants & Contributions	4,909,248	8,625,754	7,465,548	2,942,819	3,115,319	3,996,594	3,291,743	3,592,102	3,528,468	4,524,815
Total Governmental Activities Program Revenues	4,909,248	8,625,754	7,465,548	2,942,819	3,115,319	3,996,594	3,291,743	3,592,102	3,528,468	4,524,815
Business-Type Activities:										
Charges for Services:										
Food Service	603,983	587,796	694,103	438,969	403,138	448,885	483,537	488,583	504,109	464,391
School Store	-	-	-	50,131	58,481	62,333	53,908	61,846	70,468	115,009
Adult Education Program	826,347	1,210,210	1,062,453	885,999	1,459,380	1,107,702	1,279,043	701,108	1,052,022	1,153,621
Culinary Arts	146,433	-	-	96,402	90,206	71,260	85,056	85,922	108,320	164,380
Beaver's Den Child Care	182,239	173,869	173,953	175,079	169,976	148,224	157,930	158,023	162,068	187,185
Summer Camps	51,055	39,025	-	-	-	-	3,926	5,483	-	-
Educational Technology Training Center	-	-	-	-	-	-	-	-	13,504	13,910
Youth Transitions to Work	-	-	-	-	-	-	-	-	-	-
Emergency Services Training Center:										
Food Services	-	-	-	-	-	-	-	-	-	-
Culinary Express	-	-	-	94,976	103,311	132,050	127,872	145,097	139,154	157,763
Print Shop	-	-	-	19,184	6,461	5,847	13,544	-	-	-
Auto Body	-	-	-	21,852	5,110	150	1,836	-	-	-
Engineering	-	-	-	4,524	3,071	2,000	-	-	-	-
Operating Grants:										
Food Service	562,139	538,731	508,849	475,088	491,433	441,529	390,207	322,626	322,565	305,299
Adult Education Program	5,852	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	2,378,048	2,549,631	2,439,358	2,262,204	2,790,567	2,419,980	2,596,859	1,968,688	2,372,210	2,561,558
Total District Program Revenues	\$ 7,287,296	\$ 11,175,385	\$ 9,904,906	\$ 5,205,023	\$ 5,905,886	\$ 6,416,574	\$ 5,888,602	\$ 5,560,790	\$ 5,900,678	\$ 7,086,373

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net/(Expense)/Revenue:										
Governmental Activities	\$ (39,510,721)	\$ (38,931,012)	\$ (37,586,403)	\$ (36,193,437)	\$ (36,787,238)	\$ (35,978,424)	\$ (34,572,398)	\$ (37,806,203)	\$ (36,629,257)	\$ (34,069,250)
Business-Type Activities	(421,846)	(362,103)	(303,504)	(236,625)	35,932	119,064	173,571	(18,844)	121,806	310,962
Total District-Wide Net Expense	\$ (39,932,567)	\$ 39,293,115	\$ (37,889,907)	\$ (36,430,062)	\$ (36,751,306)	\$ (35,859,360)	\$ (34,398,827)	\$ (37,825,047)	\$ (36,507,451)	\$ (33,758,288)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
County Appropriations	\$ 14,929,750	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,821
Unrestricted Grants & Contributions	14,995,140	14,775,162	15,244,160	15,683,915	15,327,183	14,318,309	13,585,336	15,201,244	13,970,569	12,181,555
Tuition Received	6,710,366	6,611,347	6,312,285	6,132,240	5,934,600	5,552,872	4,892,500	5,267,704	5,157,845	5,182,131
Investment Earnings	-	-	4,826	4,826	14,990	-	-	19,081	28,719	62,726
Miscellaneous Income	294,610	195,481	203,081	22,878	41,293	66,627	112,304	58,333	163,786	71,305
Other Financing Sources - Transfers, Miscellaneous / Other	-	(110,491)	-	-	-	18,327	-	(188,463)	(3,551,222)	(151,720)
Total Governmental Activities	36,929,866	37,366,474	37,659,326	37,738,833	37,213,040	35,851,109	34,485,114	36,252,873	31,664,671	33,240,818
Business-Type Activities	-	110,491	(50,470)	-	-	2,081	61,939	200,000	(214,087)	-
Total District-Wide	\$ 36,929,866	\$ 37,476,965	\$ 37,608,856	\$ 37,738,833	\$ 37,213,040	\$ 35,853,190	\$ 34,547,053	\$ 36,452,873	\$ 31,450,584	\$ 33,240,818
Change in Net Position:										
Governmental Activities	\$ (2,580,855)	\$ (1,564,538)	\$ 72,923	\$ 1,545,396	\$ 425,802	\$ (127,315)	\$ (87,284)	\$ (1,553,330)	\$ (4,964,586)	\$ (828,432)
Business-Type Activities	(421,846)	(251,612)	(353,974)	(236,625)	35,932	121,145	235,510	181,156	(92,281)	310,962
Total District	\$ (3,002,701)	\$ (1,816,150)	\$ (281,051)	\$ 1,308,771	\$ 461,734	\$ (6,170)	\$ 148,226	\$ (1,372,174)	\$ (5,056,867)	\$ (517,470)

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
FISCAL YEAR ENDING JUNE 30,										
General Fund:										
Restricted	\$ 2,906,184	\$ 2,900,696	\$ 3,021,492	\$ 2,032,580	\$ 1,910,267	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Assigned	442,891	1,295,716	1,601,104	581,563	820,691	857,547	1,420,198	852,580	1,510,668	505,835
Unassigned	122,514	671,440	578,474	766,333	605,719	599,984	547,908	68,426	625,990	1,568,047
Total General Fund	\$ 3,471,589	\$ 4,867,852	\$ 5,201,070	\$ 3,380,476	\$ 3,336,677	\$ 1,957,531	\$ 1,968,106	\$ 921,006	\$ 2,136,658	\$ 2,073,882
All Other Governmental Funds:										
Restricted	\$ 351,004	\$ 351,004	\$ 337,068	\$ 1,063,746	\$ -	\$ -	\$ -	\$ -	\$ 8,610	\$ 78,921
Assigned, Reported in:	-	-	-	-	-	-	-	-	-	-
Special Revenue Fund	-	-	-	-	-	-	-	-	-	(18,108)
Capital Project Fund	-	-	-	-	-	45,097	45,097	45,097	51,262	73,724
Total All Other Governmental Funds	\$ 351,004	\$ 351,004	\$ 337,068	\$ 1,063,746	\$ -	\$ 45,097	\$ 45,097	\$ 45,097	\$ 59,872	\$ 134,537

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
County Appropriations	\$ 14,929,750	\$ 15,894,975	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,821
Tuition from LEA's	6,710,366	6,611,347	6,132,240	6,132,240	5,934,600	5,552,872	4,892,500	4,534,530	4,413,200	4,525,400
Other Tuition	-	-	-	-	-	-	-	733,174	744,645	656,731
Miscellaneous	156,976	181,545	27,704	27,704	101,380	66,627	112,304	77,414	192,505	134,030
State Sources	18,400,334	17,858,771	17,187,250	17,187,250	17,119,177	16,209,113	15,438,042	14,560,585	15,979,724	15,399,131
Federal Sources	1,504,054	1,535,932	1,439,484	1,439,484	1,323,325	2,105,790	1,439,037	4,232,761	1,519,313	1,307,239
Total Revenue	41,701,480	42,082,570	40,681,652	40,681,652	40,373,456	39,829,376	37,776,857	40,033,438	38,744,361	37,917,352
Expenditures:										
Instruction:										
Regular Instruction	6,419,851	6,140,935	6,371,951	6,371,951	6,720,320	6,648,185	6,048,729	5,853,212	6,133,778	5,975,210
Special Education Instruction	2,139,517	2,209,892	-	-	-	-	-	-	-	-
Basic Skills/Remedial	-	-	-	-	-	121,124	67,646	92,558	79,247	87,158
Bilingual Education	-	-	-	-	-	9,557	7,782	9,185	7,610	7,780
Vocational	4,611,502	4,618,686	7,475,403	7,475,403	7,101,317	7,481,269	8,184,758	8,217,224	8,014,830	7,442,251
School - Sponsored/Other Instructional	1,149,279	1,147,632	1,335,352	1,335,352	1,357,943	1,325,872	1,396,972	1,350,422	1,336,051	1,297,215
Support Services:										
Student & Instruction Related Services										
General Administration	3,347,487	3,863,450	3,132,509	3,132,509	2,817,240	3,003,258	2,996,133	3,397,079	2,823,190	2,729,992
School Administration	711,033	669,675	673,373	673,373	691,287	711,855	949,840	1,007,380	920,625	983,943
Plant Operations & Maintenance	6,291,546	5,450,637	2,861,090	2,861,090	2,709,515	3,112,514	2,620,947	3,188,396	2,385,401	2,701,986
Student Transportation	5,244,011	5,312,351	5,652,374	5,652,374	5,043,336	5,101,692	5,269,878	5,402,894	5,557,227	4,995,592
Business & Other Support Services	386,327	266,207	224,603	224,603	175,302	215,929	230,354	221,492	199,452	256,264
Employee Benefits	9,983,133	9,604,386	8,177,642	8,177,642	8,540,689	8,628,082	7,677,745	7,570,659	7,522,547	7,779,176

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenditures (continued):										
County Contribution	236,013	236,013	236,013	2,236,013	2,153,063	2,011,529	-	-	-	-
Capital Outlay	2,715,678	2,691,265	2,281,197	1,433,797	1,684,298	1,487,412	1,277,770	3,175,418	1,116,801	979,844
Special Schools	-	94,168	-	-	-	-	1,203	1,589,483	1,812,123	1,810,327
Total Expenditures	43,235,377	42,305,297	40,663,114	39,574,107	38,994,310	39,899,368	36,770,481	41,115,761	38,626,245	37,811,261
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,533,897)	(222,727)	1,043,446	1,107,545	1,379,146	(69,992)	1,006,376	(1,082,323)	118,116	106,091
Other Financing Sources/(Uses):										
Miscellaneous/Other	137,634	13,936	-	-	(45,097)	-	-	11,537	-	(45,199)
Operating Transfers In/(Out)	-	(110,491)	50,470	-	-	18,327	-	(200,000)	(170,000)	(106,521)
Total Other Financing Sources/ (Uses)	137,634	(96,555)	50,470	-	(45,097)	18,327	-	(188,463)	(170,000)	(151,720)
Net Change in Fund Balances	\$ (1,396,263) \$	(319,282) \$	1,093,916 \$	1,107,545 \$	1,334,049 \$	(51,665) \$	1,006,376 \$	(1,270,786) \$	(51,884) \$	(45,629)

Source: District Records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

	FISCAL YEAR ENDED JUNE 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Nonresident Tuition & Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,743	\$ 12,171
Interest on Investments	5,488	1,322	3,381	1,260	14,990	16,078	30,526	19,081	28,719	62,726
Prior Year Worker's Comp. Claims	-	-	-	-	-	-	-	-	97,541	-
Rents \ Leases	40,503	33,763	16,730	-	12,543	18,406	26,370	35,750	48,325	52,306
Miscellaneous Refunds	1,620	87,918	87,918	-	-	-	10,886	-	-	812
Miscellaneous Fees	109,365	58,542	49,408	26,444	72,149	32,143	44,522	22,583	3,177	1,768
Miscellaneous Awards	-	-	-	-	-	-	-	-	-	436
Sale of Furniture & Equipment	-	-	-	-	-	-	-	-	-	3,812
Total	\$ 156,976	\$ 181,545	\$ 157,437	\$ 27,704	\$ 99,682	\$ 66,627	\$ 112,304	\$ 77,414	\$ 192,505	\$ 134,031

Source: District records

EXHIBIT J-6 THROUGH J-13 NOT APPLICABLE

EXHIBIT J-14

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

YEAR ENDED DECEMBER 31	SCHOOL DISTRICT POPULATION (1)	PERSONAL INCOME (2)	TOTAL PER CAPITA INCOME (3)	UNEMPLOYMENT RATE (4)
2016	449,284	16,853,092,124	37,511	4.40%
2015	450,226	24,864,631,302	55,227	5.80%
2014	450,677	24,222,536,719	53,747	6.30%
2013	450,103	23,308,583,855	51,785	8.90%
2012	451,227	23,188,555,530	51,390	8.90%
2011	450,549	22,507,175,295	49,955	9.00%
2010	449,218	21,583,577,246	48,047	8.50%
2009	446,108	21,256,600,092	47,649	4.40%
2008	445,492	21,301,645,472	47,816	3.80%
2007	446,314	20,614,351,032	46,188	4.10%

(1) NJ Dept. of Labor & Workforce Development

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

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

(4) NJ Dept. of Labor & Workforce Development

Source: State Department of Education

EXHIBIT J-15 NOT APPLICABLE

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS**

FUNCTION/PROGRAM	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction:										
Regular	75.00	80.00	84.00	86.00	82.00	77.00	74.00	75.00	73.00	79.00
Special Education	53.00	26.00	29.00	28.00	29.00	31.00	41.00	45.00	41.00	36.00
Other Special Education	3.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	0.00
Vocational	54.00	44.00	44.00	54.00	51.00	52.00	53.50	59.50	59.50	59.50
Adult/Continuing Education Programs	0.00	10.00	9.00	0.00	0.00	0.00	0.00	8.50	14.50	12.50
Support Services:										
Student & Instructional Related Services	21.00	42.00	46.00	57.00	53.00	58.00	59.00	61.00	56.00	59.00
General Administration Services	18.00	8.00	9.00	10.00	4.00	5.00	5.00	4.00	4.00	5.00
School Administration Services	31.00	32.00	31.00	31.00	35.00	39.00	40.00	43.00	43.00	44.00
Business Administrative Services	9.00	8.00	7.00	1.00	6.00	6.00	6.00	6.00	9.00	9.00
Plant Operations & Maintenance	36.00	39.00	37.00	38.00	38.00	39.00	42.00	45.00	49.00	47.00
Total	300.00	289.00	296.00	305.00	299.00	308.00	321.50	348.00	350.00	351.00

Source: District Records

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

FISCAL YEAR ENDED JUNE 30,	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL / TEACHER RATIO HIGH SCHOOL	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2017	1,949	\$41,681,270	21,386	16.98%	185.0	10.5	1978.00	1874.02	-0.46%	94.74%
2016	2,001	\$40,789,583	20,385	11.50%	150.0	13.3	2030.33	1915.32	2.17%	94.34%
2015	2,007	37,961,119	18,914	-0.10%	157.0	12.8	2032.78	1923.3	0.29%	94.61%
2014	2,000	37,865,915	18,933	2.16%	168.0	11.9	2026.99	1917.4	-1.84%	94.59%
2013	2,034	37,696,837	18,533	-5.32%	163.0	11.9	2064.9	1935.9	3.91%	93.75%
2012	1,955	38,268,520	19,575	7.07%	160.0	12.2	1987.2	1857.9	1.52%	93.49%
2011	1,930	35,284,246	18,282	-8.29%	169.5	11.4	1957.5	1825.8	-1.76%	93.27%
2010	1,968	39,232,408	19,935	2.82%	180.5	10.9	1,992.6	1,853.2	2.25%	93.00%
2009	1,912	37,070,489	19,388	7.13%	174.5	11.0	1,948.8	1,807.9	-6.38%	92.77%
2008	2,033	36,791,787	18,097	5.90%	174.5	11.7	2,081.6	1,916.7	0.08%	92.08%

Source: District Records

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

DISTRICT BUILDINGS	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
High School:										
Westampton:										
Square Feet	316,957	316,957	316,957	316,957	316,957	316,957	316,957	316,957	316,957	316,957
Capacity (Students)	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390
Enrollment	1,211	1,211	1,208	1,200	1,166	1,188	1,139	1,139	1,089	1,149
Medford:										
Square Feet	250,422	250,422	250,422	250,422	250,422	250,422	250,422	250,422	250,422	250,422
Capacity	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150
Enrollment	790	790	799	800	770	767	829	829	823	884

Number of Schools at June 30, 2017:
Senior High School = 2

Source: District Facilities Office

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

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

FISCAL YEAR	WESTAMPTON CAMPUS	MEDFORD CAMPUS	TOTAL
2017	\$ 387,424	\$ 356,075	\$ 743,499
2016	353,381	336,387	689,768
2015	348,581	348,581	697,162
2014	518,531	518,530	1,037,061
2013	517,145	447,904	965,049
2012	399,003	493,119	892,122
2011	416,401	269,373	685,774
2010	396,817	387,925	784,742
2009	460,945	466,390	927,335
2008	360,896	354,290	715,186
Total	\$ 4,159,124	\$ 3,978,574	\$ 8,137,698

Source: District records

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
INSURANCE SCHEDULE
June 30, 2017**

EXHIBIT J-20

Insurance Overview:		EXPOSURE	PREMIUM
PROPERTY:		128,096,089	111,004
ENVIRONMENTAL LIABILITY			
EXCLUDES UST:		1,000,000	INCLUDED
REAL & PERSONAL PROPERTY	PER OCCURRENCE	450,000,000	118,037
BEAZLEY BREACH RESPONSE:		1,000,000	INCLUDED
CRISIS MANAGEMENT:		1,000,000	INCLUDED
EDP:	PER OCCURRENCE	1,300,000	3,611
EQUIPMENT BREAKDOWN:		100,000,000	8,725
CRIME:			
FAITHFUL PERFORMANCE:		100,000	348
FORGERY & ALTERATION:		50,000	162
MONEY & SECURITIES:		50,000	463
MONEY ORDERS/COUNTERFEIT:		50,000	463
COMPUTER FRAUD:		50,000	34
GENERAL LIABILITY:	PER OCCURANCE	16,000,000	42,498
AUTO LIABILITY:	PER ACCIDENT	16,000,000	INCLUDED
AUTO PHYSICAL DAMAGE:		ACV BASIS	9,374
WORKERS COMPENSATION:	PROFESSIONAL:	17,174,000	278,938
	NON PROF:	1,843,000	
	EXPERIENCE MOD:	0.7500	
WC SUPPLEMENTAL INDEMNITY:		7 DAYS	8,444
SCHOOL LEADERS ERRORS & OMISSIONS:		16,000,000	67,539
		15,000 DEDUCTIBLE	
STUDENT ACCIDENT:	SILVER PLAN		26,650
INCLUDING DAY CARE:	YES		
STUDENT ACCIDENT CAT:		1,000,000	8,520

Source: District records

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

SINGLE AUDIT SECTION

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EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Burlington County Institute of Technology, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Burlington County Institute of Technology's basic financial statements, and have issued our report thereon dated November 30, 2017.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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. We consider the deficiency described in the accompany schedule of findings and questioned costs to be a significant deficiencies as finding No. 2017-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Burlington County Institute of Technology's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is 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 as finding No. 2017-001.

The Burlington County Institute of Technology's Response to Findings

The Burlington County Institute of Technology's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
November 30, 2017



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major Federal and State Program

We have audited the Burlington County Institute of Technology’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major federal and state programs for the fiscal year ended June 30, 2017. The Burlington County Institute of Technology’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Burlington County Institute of Technology’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of

compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Burlington County Institute of Technology complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
November 30, 2017

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2016	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	BALANCE, JUNE 30, 2017 (ACCOUNTS RECEIVABLE)					
U.S. Department of Health and Human Services															
Passed Through New Jersey Department of Human Services:															
93.778	170NSJ5MAP	100-054-7540-211	\$	45,922	7/1/16-6/30/17	\$	35,049	\$	(45,922)	\$	(10,873)				
93.778	160NSJ5MAP	100-054-7540-211		39,218	7/1/15-6/30/16	1,565									
93.778	170NSJ5MAP	100-054-7540-211		1,532	10/1/08-12/31/10	1,532			(1,532)						
Total U.S. Department of Health and Human Services															
U.S. Department of Agriculture															
Passed Through New Jersey Department of Agriculture:															
Child Nutrition Cluster:															
10.553	171NJ304N1099	100-010-3350-028		133,740	7/1/16-6/30/17	133,740			(133,740)						
10.553	16160NJ304N1099	100-010-3350-028		121,787	7/1/15-6/30/16	9,976									
National School Lunch Program															
10.555	171NJ304N1099	100-010-3350-026		351,505	7/1/16-6/30/17	351,505			(351,505)						
10.555	16160NJ304N1099	100-010-3350-026		342,618	7/1/15-6/30/16	21,985									
10.555	171NJ304N1099	Unavailable		69,214	7/1/16-6/30/17	69,214			(69,214)						
Food Distribution Program (Non-cash Assistance)															
Total Child Nutrition Cluster															
Total U.S. Department of Agriculture															
U.S. Department of Education															
Passed Through New Jersey Department of Education:															
I.D.E.A. Part B (Special Education Cluster)															
84.027	H027A160100	100-034-5065-016		498,113	7/1/16-6/30/17	498,113			(498,113)						
No Child Left Behind (N.C.L.B.):															
84.010	S010A160030	100-034-5064-194		618,928	7/1/16-6/30/17	618,928			(618,928)						
84.010	S010A150030	100-034-5064-194		558,217	7/1/15-6/30/16	59,442									
Title II - Part A, Supporting Effective Instruction															
84.367	S367A160029	100-034-5063-290		44,796	7/1/16-6/30/17	44,796			(44,796)						
84.367	S367A150029	100-034-5063-290		53,065	7/1/15-6/30/16	5,160									
Carl D. Perkins Vocational & Applied Technology Education Act															
84.048	V048A1400330	100-034-5062-100		106,156	7/1/14-6/30/15						1				
84.048	V048A1600330	100-034-5062-100		278,133	7/1/16-6/30/17	278,133			(278,133)						
Total U.S. Department of Education															
U.S. Department of Labor															
Passed Through New Jersey Department of Labor:															
Vocational Rehabilitation Act of 1973															
84.126	N/A	100-062-4535-100		5,852	7/1/16-6/30/17	5,852			(5,852)						
Total U.S. Department of Labor															
U.S. Department of Labor															
Passed Through New Jersey State Police															
97.036	N/A	100-066-1200-100		16,630	7/1/16-6/30/2017	16,630			(16,630)						
Total U.S. Department of Labor															
Total Expenditures of Federal Awards															
						\$	(98,129)	\$	2,151,620	\$	(2,064,365)	\$	1	\$	(10,873)

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2016	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	BALANCE, JUNE 30, 2017 ACCOUNTS RECEIVABLE	MEMO	
									BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
New Jersey Department of Education:										
General Fund:										
State Aid Cluster:										
Equalization Aid	495-034-5120-078	\$ 13,228,997	7/1/16-6/30/17	\$ -	\$ 13,228,997	\$ (13,228,997)	\$ -	\$ -	\$ 1,296,963	\$ 13,228,997
Special Education Categorical Aid	495-034-5120-089	1,182,187	7/1/16-6/30/17	-	1,182,187	(1,182,187)	-	-	115,901	1,182,187
Security Aid	495-034-5120-084	125,257	7/1/16-6/30/17	-	125,257	(125,257)	-	-	12,281	125,257
Per Pupil Growth Aid	495-034-5120-097	20,760	7/1/16-6/30/17	-	20,760	(20,760)	-	-	2,035	20,760
PARCC Readiness	495-034-5120-098	20,760	7/1/16-6/30/17	-	20,760	(20,760)	-	-	2,035	20,760
Professional Learning Community Aid	495-034-5120-101	20,700	7/1/16-6/30/17	-	20,700	(20,700)	-	-	2,029	20,700
Total State Aid Public				-	14,598,661	(14,598,661)	-	-	1,431,244	14,598,661
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	100-034-5094-003	927,690	7/1/16-6/30/17	-	882,931	(927,690)	-	(44,759)	-	927,690
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	100-034-5094-003	935,070	7/1/15-6/30/16	(91,770)	91,770	-	-	-	-	-
TPAF - Post Retirement	495-034-5094-001	1,251,497	7/1/16-6/30/17	-	1,251,497	(1,251,497)	-	-	-	1,251,497
TPAF - Pension	495-034-5094-002	1,501,988	7/1/16-6/30/17	-	1,501,988	(1,501,988)	-	-	-	1,501,988
TPAF - Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-004	3,086	7/1/16-6/30/17	-	3,086	(3,086)	-	-	-	3,086
Total General Fund				(91,770)	18,329,933	(18,282,922)	-	(44,759)	1,431,244	18,282,922
Special Revenue Fund:										
Career and Technical Education State Aid	100-034-5062-032	99,137	7/1/16-6/30/17	-	99,137	(99,137)	-	-	-	99,137
Perkins Post Secondary	100-034-5062-032	15,000	7/1/16-6/30/17	-	12,221	(15,000)	-	(2,779)	-	15,000
Apprentice Coordinator	100-034-5062-032	28,500	7/1/15-6/30/16	(7,790)	7,790	-	-	-	-	-
Total Special Revenue Fund				(7,790)	119,148	(114,137)	-	(2,779)	-	114,137
New Jersey Department of Agriculture:										
National School Lunch Program	100-010-3350-023	7,680	7/1/16-6/30/15	-	7,680	(7,680)	-	-	-	7,680
National School Lunch Program	100-010-3350-023	7,749	7/1/15-6/30/16	(468)	468	-	-	-	-	-
Total Enterprise Fund				(468)	8,148	(7,680)	-	-	-	7,680
Total State Financial Assistance				\$ (100,028)	\$ 18,457,229	\$ (18,404,739)	\$ -	\$ (47,538)	\$ 1,431,244	\$ 18,404,739
State Financial Assistance Programs not subject to Calculation for Major Program Determination:										
TPAF - Post Retirement	495-034-5094-001	1,251,497	7/1/16-6/30/17	-	-	1,251,497	-	-	-	-
TPAF Pension	495-034-5094-002	1,501,988	7/1/16-6/30/17	-	-	1,501,988	-	-	-	-
TPAF Pension - Non contributory Insurance (Noncash Assistance)	495-034-5094-004	3,086	7/1/16-6/30/17	-	-	3,086	-	-	-	-
									\$ (15,648,168)	

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 1. Basis of Presentation

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 Burlington County Institute of Technology. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

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, 2017. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

Note 3. Relationship to Basic Financial Statements

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Note 3. Relationship to Basic Financial Statements (continued)

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 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 more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$3,275 for the general fund and \$0 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 64,084	\$ 18,286,197	\$ 18,350,281
Special Revenue Fund	1,439,970	114,137	1,554,107
Adult Education Fund	5,852	-	5,852
Food Service Fund	554,459	7,680	562,139
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 2,064,365</u>	<u>\$ 18,408,014</u>	<u>\$ 20,472,379</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Burlington County Institute of Technology had no loan balances outstanding at June 30, 2017.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

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

2) Significant deficiency(ies) identified? yes X none reported

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of 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>
Child Nutrition Cluster		
10.553	171NJ304N1099	School Breakfast Program
10.555	171NJ304N1099	National School Lunch Program
10.555	171NJ304N1099	Food Distribution Program (Noncash Assistance)
Special Education		
84.027	H027A160100	IDEA Basic

Dollar threshold used to determine Type A programs \$750,000

Auditee qualified as low-risk auditee? yes X no

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to determine Type A 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 deficiency(ies) identified? _____ yes X no

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? _____ yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
_____	State Aid Public: _____
495-034-5120-078	Equalization Aid _____
495-034-5120-084	Security Aid _____
495-034-5120-089	Special Education Categorical Aid _____
495-034-5120-097	Per Pupil Growth Aid _____
495-034-5120-098	PARCC Readiness Aid _____
495-034-5120-101	Professional Learning Community Aid _____
_____	_____
_____	_____

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section II – Financial Statement Findings

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

***Finding 2017-001**

Criteria or specific requirement:

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

Condition:

During our audit of procurement and standard operating procedures it was noted that there were numerous violations and non-compliance by building-level management and employees due to lack of oversight by building-level management and their disregard of the Standard Operating Procedures. This is a continuing behavior on the part of building-level management.

Context:

Various instances of non-compliance and violations were noted by building-level management and employees during our review of procurement and standard operating procedures.

Cause:

Continuing disregard by building level management of internal controls put in place by the School District

Effect or potential effect:

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

Recommendation:

District building-level management and employees follow all internal control policies set by the Board of Education, and be held accountable for failing to do so.

View of responsible officials and planned corrective actions:

The School District agrees with this finding and the District will rely upon the Superintendent to implement corrective measures for building-level management to ensure that they comply with all internal control policies as set forth by the Board of Education.

*Denotes prior year finding.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

Finding No. 2016-001

Condition:

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

Current Status:

This finding has not been corrected.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.